



EUROPEAN SPATIAL PLANNING
OBSERVATION NETWORK



Thematic Background Study on INTERREG and ESPON activities in the field of cross-border cooperation

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Please note, that this report is one of five input studies to a more comprehensive report on INTERREG and ESPON activities to be presented in late 2006.

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1 Introduction and aims of study

Borders and border regions are a defining feature of the European space. Generally defined as NUTS3 level territorial units situated directly at the state's land border¹, border regions encompass 21.5 percent of the area of the European Union with 15 percent of the EU population living within these regions (ESPON 1.1.3, SIR). While border regions, particularly those in Sweden, Finland, the Baltic States, Hungary, Romania and Bulgaria (ESPON 1.1.3, FR) tend to be disadvantaged in terms of population and economic growth compared to non-border regions in Europe, there is still a wealth of untapped potential within these regions.

Cross-border and transnational cooperation has been an important instrument for achieving the goals of the ESDP; balanced competitiveness, social and economic cohesion and conservation and management of natural and cultural heritages in the European space. Particularly the strategy of cross-border cooperation within the Structural Funds is to ensure that national borders do not form barriers to balanced development and integration of the European territory.

However there is a great diversity in the many types of border regions within Europe and on its external borders. In this report we shall explore the various types of border regions and the role that cross-border as well as transnational cooperation has played in aiding border regions to become more economically competitive and more territorially cohesive.

1.1. Aims of the ESPON-INTERACT study on Cross-border Cooperation

This study is based on distinguishing how ESPON results and the experience of INTERREG programs, in particular INTERREG IIIA, could contribute to better future actions at cross-border regional areas, identify gaps, and stimulate synergies to increase territorial cohesion and regional competition.

As such, the aims of this study are grouped into three main priorities:

The needs in border regions

1. How can the INTERREG programmes, particularly INTERREG IIIA more fruitfully increase the connecting potentials between regions? How may this connecting potential of cross-border cooperation lead to greater territorial cohesion in border regions or transnational functional regions?

2. To what extent do the ESPON 1.1.3 typologies of integration potential in border regions reflect the scope and thematic areas of INTERREG IIIA participation? What are the unique possibilities for development in various types of border regions according to the themes of cooperation?

¹ Competitiveness and Cohesion: Trends in the Regions: Fifth Periodic Report. European Commission, Brussels, 1994, p.107.

3. What types of barriers of national borders (physical, social, economic or institutional/administrative) are experienced as most difficult to overcome within cross-border cooperation programmes? How can INTERREG IIIA contribute to building better bridges to overcome each type of barrier?

4. How can the INTERREG IIIA programme areas be designed to better suit the needs of the various types of border regions, including programmes with the external EU border areas?

Value-added of cross-border cooperation

5. What thematic types of concrete INTERREG IIIA projects seem most likely to increase the process of cross-border cooperation and learning?

6. Where are the gaps in thematic orientation of INTERREG IIIA programmes with respect to the situation of the border regions as shown by the results of several ESPON projects? What ESPON themes have not been addressed that could be fruitfully addressed?

7. In what way can greater analysis of INTERREG IIIA, B and C in all of the ESPON-INTERACT projects contribute to completing the database of all areas of INTERREG cooperation. Is it possible to gain information regarding cross-border flows? For whom may this information be useful? How is it possible to address the gaps in the data?

Potential synergies

8. What types of synergies can be developed between the INTERREG IIIA, IIIB and IIIC strands that can be useful in achieving new types of cross-border networks focused on learning and continued cooperation? How could this lead to recommendations that could affect the future of Structural Fund regulations?

9. How could the ESPON results on thematic aspects of cross-border and transnational cooperation be used as a springboard for the Structural Fund period 2007-2013?

10. What particular dynamics of INTERREG III (especially IIIA programmes) could be themes for future ESPON II projects?

These questions will be addressed more fully in the final report. In this draft report we present some of our preliminary findings on border regions and INTERREG IIIA cooperation and hope that the report will generate reactions leading to constructive feedback for the Final Report to be submitted in July.

1.2 Progress for of the study on Cross-border Cooperation

In this draft final report we present preliminary results of research performed until May 2006. Thus far this consists of analyses of the conditions in border regions in terms of GDP per capita and population density. Border regions were divided into 4 different categories: Internal, External, Mixed and Accession and non-EU borders. We have also performed a preliminary analysis of the themes of INTERREG IIIA cooperation, in accordance with the themes of selected ESPON projects. Yet the INTERREG IIIA database is constantly being updated and thus our results will reflect the more current situation for the Final Report. We discuss the differences in themes between the INTERREG IIIA area as a whole and those themes on the Eastern frontier of the EU.

In the attempt to answer the question if cross-border disparities are an impetus to greater cooperation we have done a small correlation analysis on the role that GDP per capita plays in intensity of cooperation and these results are presented. This question is also being addressed as part of a questionnaire sent out to 900 selected INTERREG IIIA main partners. The main focus of the questionnaire is to receive qualitative feedback on processes of learning within INTERREG IIIA, as well as on-the-ground impulses as to what are the barriers and pre-conditions for cross-border cooperation. Thus far, no results to this questionnaire have been processed, although we expect to have some results ready to be presented for the ESPON-INTERACT seminar on Cross-border Cooperation in Riga on June 14, 2006.

The intention of this study is to utilize the ESPON 1.1.3 "Enlargement" results on the integration potential of border regions, to assess what border region features facilitate cross-border cooperation. The ESPON 1.1.3 typologies of integration potential cover only the Enlargement area and our intention is to extend this typology to all of the INTERREG IIIA programming areas. Thus far we have collected most of the data for this huge task, but have not yet been able to extend it to the larger European area. However we have tested the feasibility of using the typologies developed for ESPON 1.1.3 for understanding how the potential for integration and cooperation can translate into the scope and intensity of actual cooperative projects within INTERREG IIIA. These results are presented in this draft report. For the Final report to be submitted at the end of July 2006 we expect to have not only extended the typology, but to have produced several maps showing the connection between border region potential and actual cross-border cooperation.

It is also the intention of this report to relate the findings of cross-border cooperation with Transnational and networking activities (INTERREG IIIA and IIIC respectively). We will include this activity, as well as our policy conclusions and implications in the final report. In this respect the most important question is how to promote synergies between the ESPON and INTERACT programmes.

We do hope that this report will serve as a platform for discussion and that we receive much constructive feedback from INTERACT, ESPON and INTERREG as to how to produce even more fruitful results.

2 Analysing Cross-border Cooperation

This study employs various methods to achieve a diverse, but hopefully illuminating picture of the needs of border regions, the scope of cross-border cooperation and the gaps and synergies that can be achieved through a cooperative effort between ESPON, INTERACT and INTERREG.

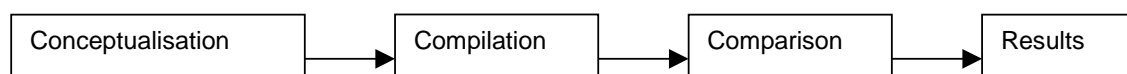


Figure 1: Proposed framework for analysis of cross-border cooperation

Conceptualisation involves understanding the role of border regions in the context of Europe and EU. As a starting point we consider cross-border regions to be all of those regions in Europe that share an adjacent national land border. This set of border regions is further extended to those border regions as delineated by the INTERREG IIIA programmes (for which some water borders are also included). Border regions in this draft report will be conceptualised descriptively in terms of population density,

GDP/capita, as well as the types of border regions (internal and external, old and new EU states).

In the final report will also address the impact of regions on cohesion and competition policy and the implication of developing cross-border policies to a better balanced development. This includes examination of the policy debate surrounding cross-border and transnational cooperation, an overview of the current status of INTERREG IIIA, IIIB and IIIC programmes and an overview of how the ESPON programme has (and is) treating the issue of border regions, cross-border and transnational cooperation.

As the aim of this draft report is primarily to chart some of the dynamics of cross-border cooperation, compilation of data aids in this task. The method employed in this endeavour is three-fold and involves three separate types of data.

First we examine at NUTS 3 level the characteristics of border regions vis a vis non-border regions. The indicators used in this first stage are largely GPD per capita at the NUTS 3 level and population density from Eurostat, although this data is not complete for many of the non-EU 25 countries and has been complemented where possible with national data (for instance for Norway). We have further distinguished various types of border regions.

Secondly we have utilized and are actively updating the ESPON-INTERACT database of INTERREG IIIA projects. The ESPON Coordinating Unit has collected information regarding the projects from the 2000-2006 programme home pages and from contacts with the programme secretariats. This includes project titles, project descriptions, main partner information and contact details as well as INTERREG funding. We have analysed this collection of INTERREG IIIA projects thematically and have coded around 90% of a total of 3581 INTERREG IIIA projects according to selected themes of the ESPON programme. This database is constantly evolving and currently does not include information from new projects within the programmes in the Baltic States, but we hope to address this lack of information to be included in the final report in July.

Thirdly, an important contribution to the compilation of data has been the survey sent to 900 INTERREG IIIA Main and Lead Partners in the attempt to ascertain how cross-border cooperation could lead to learning process between regions. A similar survey for IIIB projects was formulated for the ESPON 2.2.1 projects and the results will be available for the ESPON/INTERACT CBC team. As a third method the questionnaire aims at understanding the learning processes that take place within INTERREG IIIA projects and conception of barriers to cooperation has been developed and sent to a selection of 900 main and lead partners of INTERREG IIIA projects. Projects to which the questionnaires were sent were selected with the goal to cover a broad scope both in terms of geography and thematic topic. Unfortunately, it has not been possible to process the results of this questionnaire in time for the delivery of this draft report. But results will be incorporated in the final report of this project.

In the comparative and analytical stages of the project in the final report the results from the data will be shown in the form of maps and tables that would help actors to visualised the current situation and hopefully to be able to suggest new trends for cross-border regions. The preliminary results from the comparative and analytical stages are presented in this draft report.

3 Institutional Frameworks of the study on Cross-border Cooperation

The EU has been in continuing expansion and deepening integration for more than two decades, influencing border regions and cross border relationships. The role and function of border and cross border regions have changed in the last decade; regions that originally were external borders regions became internal, regions that did not play a border role at EU level became external borders. Enlargements, especially in May 2004, influence all regions but it is most likely that cross border regions play a more critical role within the whole dynamics of EU.

With the enlargement of May 2004, most formal barriers for cross border interaction have been removed. But in reality the process of integration with the new member states and accession countries started long before the enlargement. Despite the removal of market barriers, there are still impediments caused by deficits in cross border infrastructure, impediments due to technical regulations, institutional and administrative disparities as well as cultural and linguistics differences that might exist not only within new members but between old members as well (Niebuhr, 2004).

In many cases border and cross border regions have also a series of handicaps that have influenced the economic and social development of countries as a whole. Geographic characteristics, distances from economic centres, depopulation and the lack of relationships with the regions at the other side of the frontier are seen as obstacles for development. Because of this, among other measures, the European Regional Development Fund (ERDF) was established in 1977 to support regions lagging behind in their development or that face high unemployment rates, in particular border regions (Article 160 Treaty of the European Community”).

In addition, besides the increase of regional funds, the INTERREG programme was created in 1990 targeting border regions. INTERREG aims “to strengthen economic and social cohesion in the European Union by promoting cross-border, transnational and interregional co-operation and balanced development of the European Union territory. Actions in relation to the borders and border areas between Member States and between the European Union and non-member countries are, therefore, at the heart of the Initiative.” (http://europa.eu.int/comm/regional_policy/interreg3/abc/abc_en.htm)

The INTERREG Community Initiative has evolved since 1995 to its current configuration. Strand A cross-border integration has existed for longest, strand B transnational cooperation emerged in late 1990s, strand C policy design in 2000. In the period 2000-2006 the ERDF allocation was of EUR 4.875 billion². Interreg Strand A, focuses in particular on cross-border cooperation between adjacent regions aims to develop cross-border social and economic centres through common development strategies, and it will be one of the pillars for the present document for both best practices and statistics analysis.

² Interact, 2005, “A study of the Mid Term Evaluations of Interreg programs 2000-2006”

INTERREG: Community Initiatives

http://europa.eu.int/comm/regional_policy/interreg3/index_en.htm

This INTERREG initiative is designed to strengthen economic and social cohesion throughout the EU, by fostering the balanced development of the continent through cross-border, transnational and interregional cooperation. Special emphasis has been placed on integrating remote regions and those which share external borders with the new Member States.

Interact stands for Interreg Animation Cooperation and Transfer and since 2002 is part of the Community Initiative INTERREG. Interact seeks to build on the experience and lessons of INTERREG I and INTERREG II in order to increase the effectiveness of INTERREG III during the current and next programming period." The core of the INTERACT Programme is to set up information and communication networks, to define information frameworks and flows, to proactively disseminate information and to stimulate exchange of experiences" (<http://www.interact-eu.net>)

The efforts to improve and achieve a more balanced spatial and social development in Europe have allowed also co-finance research programs and project together with non-EU member. The European Spatial Planning Observation Network, ESPON, gathers 29 countries (EU25 and Romania, Bulgaria, Norway, Switzerland) in a cooperation network involving national spatial planning focusing on territorial and regional development trends in Europe.

INTERACT: INTERREG Animation Cooperation and Transfer

<http://www.interact-eu.net>

The programme seeks to build on the experience and lessons of INTERREG I and INTERREG II in order to increase the effectiveness of INTERREG III during the current programming period. The core of the INTERACT Programme is to set up information and communication networks, to define information frameworks and flows, to proactively disseminate information and to stimulate exchange of experiences.

The ESPON programme - adopted by the Ministers responsible for Spatial Planning of the EU – and the ensuing projects have since 2002 been contributing to a better coordination and implementation of actions and policies regarding spatial planning or spatial development. The goal for ESPON has been to support a more balance polycentric settlement structure and territorial cohesion by providing a spatial picture of the European territory.

Furthermore, ESPON "ought to contribute to policy making through the provision of relevant data to reveal spatial trends, including the prospective dimension; and by defining and measuring relevant indicators and working on thematic projects which would help to understand spatial trends and give hints for the adjustment of policies at all

governmental levels and towards a better sectoral co-ordination.
(<http://www.espon.lu/online/documentation/objective/objectives/index.html>)

Cross-border cooperation has been addressed in somewhat in ESPON projects, including (i) 2.2.1 "The territorial effects of Structural Funds" both in terms of policies at national content and nationally regionally specific implementation practices, (ii) 2.2.2 "Pre-Accession Aid Impact Analysis" regarding contribution to spatial cohesion/convergence, (iii) 2.2.3 "Territorial effect of the Structural Funds in Urban Areas" tool for evaluation of territorial trends/impacts of policy, plans and programs and, (iv) 1.1.3 "Enlargement of the European Union and the wider European Perspective as regards its polycentric Spatial Structure" regarding the specific needs in border regions and regions in the process of integration. ESPON 2.4.2 "Integrated Analysis of transnational and national territories "Zoom in project" has also addressed cross-border cooperation.

While ESPON has been concerned with cooperation between territories, the main focus of ESPON research has previously dealt with transnational cooperation, particularly in the form of INTERREG IIIB projects. This ESPON-INTERACT study will be the first time that an ESPON-related project or study has examined cross-border and INTERREG IIIA programmes in a broad systematic manner. The ESPON-INTERACT studies on Transport and Communication and on Risk Management do consider INTERREG IIIA projects in their analyses, but only with consideration of the themes of their studies.

This study intends to identify the contribution of ESPON results in cross-border cooperation, how diagnosis of the principal territorial trends at EU scale, the indicators and typologies could assist a setting of European priorities for a balanced and polycentric enlarged European territory and generate learning for all INTERREG strands. ESPON 1.1.3 "Enlargement" had instigated a typology of NUTS 3 border regions in the enlargement area based on data of GDP/capita, scope of cross-border cooperation, number of border crossings and the geographical type of border. This typology will be extended to the entire EU border region area for the final report. Data collection for this task is nearly complete, but the typology has yet to be finished.

ESPON: European Spatial Planning Observation Network

<http://www.espon.lu/>

ESPON aims to develop scientific understanding and measurement of political concepts in the field of European spatial development and policy. ESPON has adopted a three-level approach the macro (i.e. European) level, the meso (transnational or national) level and the micro (regional) level. The goal for ESPON has been to support a more balanced polycentric settlement structure and territorial cohesion by providing a spatial picture of the European territory.

4 Specific Situation of Cross-Border Regions

Cross-border regions are defined by the national border separating territory into national spheres. The heterogeneity of regions, especially cross border regions, adds difficulties for comparison. Despite the fact that many authors describe heterogeneity as a negative factor, for this study heterogeneity in cross-border is a positive factor that could be approached as a comparative advantage.

In this report we choose to examine the cross-border regions at NUTS 3 level. These regions are comprised of NUTS 3 regions that share an adjacent land border and/or are delineated regions of the INTERREG IIIA programme. While most quantitative studies of cross-border regions only take up the adjacent land borders for purposes of clarity, since it is impossible to know which cross-border region a water border corresponds with, we have included the INTERREG IIIA water border regions, since this gives us a truer picture of the dynamics of cooperation between the regions. As such if a region is included fully or partially in an INTERREG IIIA programme, it is counted as a border region, even if it does not have a contingent land border with another country. For instance the NUTS 3 region of Vienna (AT 130) is not a cross-border region in the sense that it shares a border with another nation. However, the region is involved in three different INTERREG IIIA programmes and thus is included as a cross-border region in this analysis.

It is important to remember that the INTERREG IIIA regions do not always correspond fully to the NUTS 3 delineations and in some cases the all of the territory does not participate fully in the IIIA programme. However extending our data to the LAU 4 or 5 level would be too large a task for the scope of this study, and thus we must be willing to accept the territorial discrepancies that equating INTERREG IIIA regions on a strictly NUTS 3 level may imply.

The basic characteristics of border regions in this study have four basic characteristics:

- **Internal borders** which constitute regions with borders totally inside the EU-25 plus Norway and Switzerland.
- **External border** regions are the regions of the EU-25 plus NO and CH which form the external eastern borders of the EU-25 and part of the southern border between Spain and Morocco.
- **Mixed border** regions are those NUTS 3 regions which have a border adjacent to both an internal EU-25 + NO and CH and to a non-EU nation (even including Lichtenstein).
- The fourth category of border regions includes border regions in the 2007 **accession countries** and in the EU **neighbouring states** that do not border the EU-25

Table 1: Number of NUTS 3 regions examined

Number of NUTS 3 examined	
All NUTS 3 regions	1417
Non-border regions	915
Border regions	556
Internal	364
External	46
Mixed	49
AC/Neighbour	97

The database of NUTS 3 regions used in this analysis includes the regions of the EU-25, Norway, Switzerland, Romania, Bulgaria, Croatia, Ukraine and Turkey (although for the last three data is still very incomplete). As the goal is to examine the INTERREG IIIA regions in connection with the INTERREG IIIB regions for the final report, the database also includes information from Russia (NUTS2) and Greenland and Faeroe Islands.

We find that there are important differences in the character of border regions as compared to non-border regions.

Population Density: No. of inhabitants per km²		
	<i>Average</i>	<i>Median</i>
All NUTS 3 regions	408,1	129,7
Non-border regions	542,1	152,6
Border regions	250,6	98,3
Internal	302	127,6
External	159,8	58,4
Mixed	159	99,7
AC/Neighbour	94,2	70

Table 2: Population Density: Number of Inhabitants per km²

As shown in Table 2 above, the border regions of Europe as a whole have average 50% lower population density than non-border regions and again. Border regions that fully or partly form the external border of Europe have again nearly 50% less population density than those border regions that are internal to the EU-25 + NO and CH. Border regions in the accession and neighbouring countries have even smaller population densities on average.

A similar picture is shown in Table 3 of the difference between non-border and border regions if we examine GDP per capita in PPS 2002. Border regions tend to be economically disadvantaged as compared to non-border regions, particularly the external border regions of the EU and its neighbouring regions.

Table 3: GDP per capita in PPS in 2002

GDP/capita in PPS 2002		
	<i>Average</i>	<i>Median</i>
All NUTS 3 regions	7638,2	4313,6
Non-border regions	8563,3	4689,9
Border regions	6099,7	3537,5
Internal	6666,9	4239,9
External	4788,9	2878,6
Mixed	6583,5	6626,1
AC/Neighbour	1851,2	1492,9

If border regions tend on average to be somewhat lagging behind the non-border regions of Europe in terms of economic strength and population, the need to address this challenge to national cohesion becomes stronger than ever.

5 INTERREG IIIA: Building better bridges in Cross-border Regions

Since its inception, the EU INTERREG IIIA programme has been specifically aimed at promoting cross-border cooperation (CBC) initiatives both on external and internal borders of the EU. It should be noted, however, that being an instrument of EU's internal regional policy, INTERREG IIIA could financially support only projects within EU member states. For projects in East European neighbouring countries, the activity of INTERREG IIIA has been supplemented by EU foreign policy instruments, such as PHARE in the Baltic States (until their accession to the EU in May 2004) and TACIS in Russia (until the introduction of the New Neighbourhood Policy Instrument in 2005).

The work of INTERREG IIIA has been also supplemented by various international, national, regional and municipal programmes, as well as private initiatives, which have also provided financial support to CBC projects. As a result, it is possible to say that INTERREG IIIA has become an organizing centre of a widespread multilayer network supporting and guiding the development of CBC.

During the last decade CBC along the EU's eastern border has made substantial progress. Euregios and various inter- and intra-regional organizations have become the main pillars of institutionalization of cross-border ties. CBC has also been actively developed beyond formal frames of European institutions and instruments. For instance, a notable success has been achieved in the formation of informal private cross-border contacts, e.g. joint ventures, cross-border marriages, cultural exchanges, migrations, etc.

The main focus of this study will not be on inter-regional (INTERREG IIIC or transnational cooperation (INTERREG IIIB) that refers to cooperation among regions independently of their geographical distance. More directly this study focuses on cross-border or INTERREG IIIA regions. However the importance of such transnational and inter-regional cooperation and the potential impacts for external cross-border regional cooperation will be important elements of the Final Report, as we examine the overlaps and potential synergies between the programmes.

Currently there are 64 INTERREG IIIA programmes operating within Europe (see table 4 below), although many of these programmes have not yet had any documented approved projects at the time of analysis. In this analysis those areas for which data is still incomplete or missing are shown in the table below of the INTERREG IIIA

Programming areas from the Preliminary analysis of the INTERACT-ESPON INTERREG IIIA project database performed by the ESPON Coordinating Unit. Both the ESPON Coordinating Unit and this study are updating this constantly evolving database. See Annex 4 for an updated status report on the state of the ESPON-INTERACT INTERREG IIIA database

5.1 Thematic Classification of projects

An analysis of the themes of INTERREG IIIA cooperation according to some of the themes of the ESPON projects has been done. Thus regardless of the priority to which the IIIA project belongs, projects were re-classified (according to project summary, description and programme web pages) with the ESPON themes in mind. These themes encompass:

- 1 Transport
- 2 Information Communication Technology (ICT)
- 3 Energy
- 4 Environment / Quality of Life
- 5 Hazards
- 6 Cultural and Cross-border Social Interaction
- 7 Growth, Employment and Competitiveness
- 8 Knowledge Sharing / Innovation/ Research / Cooperation
- 9 Education /Training / Migration
- 10 Remote and Rural Development

IIIA projects according to ESPON themes					
<i>All coded projects (3581)</i>					
Theme	Main theme	%	Secondary theme	%	
1 Transport	278	7,8	23	0,6	
2 ICT	54	1,5	51	1,4	
3 Energy	30	0,8	20	0,6	
4 Environment	820	22,9	293	8,2	
5 Hazards	65	1,8	20	0,6	
6 Culture/CBC	623	17,4	382	10,7	
7 Growth...	741	20,7	387	10,8	
8 Knowledge	455	12,7	638	17,8	
9 Training	392	10,9	252	7,0	
10 Remote/rural	123	3,4	47	1,3	

Table 4. Classification of IIIA projects according to ESPON themes

Projects were coded by a primary theme and an optional secondary, and in some cases third theme. The second and third themes do not appear in each project and thus the total percentage of all project themes does not equal 100.

As seen in Table 4 above, the most popular ESPON theme for cross-border cooperation is that of Environment /Quality of Life (22,9% of all projects) followed quite closely by Growth, Employment and Competitiveness (20,7%). The most popular secondary theme was Knowledge sharing /Innovation/ Research Cooperation.

Environmental /Quality of life projects have a broad range, including both projects dealing with traditional environmental effects and projects that include social aspects of the "good life". For instance the "Elk in Mitt Skandia" project in programme area 2 (**Sweden-Norway**) aims to create a cross-border and active cooperation regarding maintenance of elk populations, including equipping 75 elk with GPS trackers. On the other hand another project under the Environment /Quality of Life theme in programme area 36 (**Greece-Cyprus**) involves an information campaign to young people regarding the prevention of addiction to alcohol and smoking. Thus the large range of topics taken up by this theme most likely accounts for the large number of projects coded as such.

The cooperation can take various forms in the context within cross-border cooperation, but most tend to be based on, (i) soft-networks based on knowledge transfer, education and training, cultural issues and, (ii) hard-networks regarding physical infrastructure achievements. In essence projects are either dealing with concrete achievements or with developing the tools to achieve results. It is quite interesting that only small percentages of projects dealt with creating hard infrastructure with regard to transport, ICT, energy or hazards. This may be because in the initial stage of a project, or a first round project, more emphasis is placed on exploring the role that cross-border cooperation can play in attaining the tools for concrete action via knowledge and training.

A particularly interesting project dealing with transport is NAVEGUA in programme Area 29 (**Spain-Portugal**). The project is in two phases (2 separate INTERREG IIIA projects) for figuratively and literally building better cross-border bridges across a river border with NAVEGUA I focusing more on the cross-border knowledge exchange aspects and feasibility studies (soft aspects) while NAVEGUA II is focusing on completing the transport infrastructure. The aim of the project is to improve maritime accessibility. The cross-border region is characterised by low population and low economic activity due to lack of historical cross-border infrastructure. An international bridge was built as a step to solve situation, but had negative effect on the ports of the region, which previously had an important role. Thus the project intends to counteract this effect and to again increase accessibility of ferries and ports!

Spain-Portugal INTERREG IIIA

Project focus: NAVEGUA:Amelioration of maritime accessibility, navigability conditions and upgrading of the Guadiana River banks.

Project leader: Ports and Maritime Transport Institute of Portugal;
Delegation of Southern Ports

The intervention area of this project covers the riverside municipalities along the international section of the Guadiana River.

The covered area is characterised by low population and low-return economical activities, largely due to the historical lack of connecting cross-border infrastructure. The construction of an international bridge between both countries meant a step towards solving this situation, but also a negative effect over those ports which had so far had an important role in connecting both banks of the river. Now there is a need for restructuring the port sector, towards leisure navigation and tourism, and based in longitudinal rather than transversal routes.

Objective of the project span both construction and upgrading of infrastructure, as well as immaterial actions and studies. These include enhancement of the navigability conditions, the port infrastructures and services, for a better suitability for leisure activities. Increment in the use of both local and in-transit fleets, and establishing of associated nautical, tourism, industrial and service activities. The overarching objective is the sustainable development of the areas on the banks of the Guadiana River.

Funding for the project has been broken down into stages:

NAVEGUA I: EUR 1 634 692

NAVEGUA II: EUR 1 363 375

Miguel Torres-Garcia, KTH (Royal Institute of Technology)

5.2 Thematic classification of projects on the Eastern Frontier

We were also interested in seeing if the themes of project differed greatly between the internal regions of the EU and those regions that form the external borders of the EU, or the Eastern frontier. It is important to remember that projects instigated on the Eastern frontier have until accession in 2004 had a very different structure of funding than those obtaining funding from INTERREG within the EU, being funded by the Phare, Tacis, MEDA, CARDS, ISPA and Sapard Programmes (as are the non-EU 25 countries till today). These programmes will be replaced in the next period by the "European Neighbourhood and Partnership Instrument" and "Instrument for Pre-accession".

The question is thus due to the differing funding programmes and funding periods in addition the differences in GDP per capita and population density, if the thematic make-

up of the projects is different than those of the entire INTERREG IIIA area. Thus we have distinguished these projects in Table 5.

IIIA projects according to ESPON themes					
<i>Eastern frontier projects (1325)</i>					
Theme	Main theme	%	Secondary theme	%	
1 Transport	127	9,6	11	0,8	
2 ICT	17	1,3	16	1,2	
3 Energy	11	0,8	7	0,5	
4 Environment	232	17,5	117	8,8	
5 Hazards	30	2,3	8	0,6	
6 Culture/CBC	217	16,4	142	10,7	
7 Growth...	300	22,6	119	9,0	
8 Knowledge	201	15,2	159	12,0	
9 Training	177	13,4	65	4,9	
10 Remote/rural	13	1,0	5	0,4	

Table 5. Classification of IIIA projects according to ESPON themes: Eastern frontier

When examining the projects on the Eastern frontier, we see pretty much the same patterns operating as in the entire EU-area. The theme of Environment /Quality of Life is still high, although a larger percentage of projects deal with Growth, Employment and Competitiveness, perhaps reflecting the lower population density and GDP per capital in the external border regions as shown in Tables 2 and 3.

The theme of Hazards is still low within the regions of the Eastern frontier, although somewhat higher than it is for the whole INTERREG IIIA area. Perhaps this is not yet a priority for these areas, considering their lower population density, particularly in those regions that are external to the EU. However one interesting project highlights efforts to coordinate emergency services for risks and hazards in the Polish-Ukrainian border regions to safeguard both the natural environment and population.

Poland-Ukraine-Belarus INTERREG IIIA Programme

ERDF means are for formal and procedural reasons destined only for the countries of the EU, support in the framework of this programmes from the outside of the Community is extended through the TACIS fund, intended for the Russian Federation, Belarus', Ukraine and Moldavia. In the years 2004-2006 Polish side will disburse for the Neighbourhood Program 37.8 million € from the ERDF means. The joint financing from TACIS CBC for Belarus' and Ukraine will amount in the same period to 8.0 million €.

Project Focus: **“Extension of the transboundary system of natural environment protection and liquidation of the effects of catastrophes and elementary disasters on the area of the province of Lublin and the district of Lviv”**

Main Partner: Provincial Fire Brigade Headquarters in Lublin, PL

Project partners: Provincial Fire Brigade Headquarters in Lublin and the counterpart in Lviv, Ukraine

The project consists in the extension of the system of protection for the natural environment as well as minimisation and liquidation of the risk of polluting the cross-border area. The effect of the project will be to introduce and locate in the crucial points of the province of Lublin the additional specialised emergency equipment. This will be the salvaging and extinguishing vehicles, equipped with the capacity of fighting various kinds of hazards. Thereby the safety of the protected area on both sides of the Polish-Ukrainian boundary will be enhanced.

Details of the project

In the framework of the project six specialised rescue cars will be purchased for the county and town headquarters of the National Fire Brigades from the area of the province of Lublin, i.e. for those in Biała Podlaska (two cars), Lublin, Kraśnik, Puławy and Włodawa.

Realisation of the project will take place through modernisation of the existing emergency system within the province of Lublin and the improvement of effectiveness of the rescue operations. The effects will consist in the rapid appearance at the location of an event and undertaking of the rescue activities aiming at limitation and liquidation of the contamination, as well as essential lowering of the costs of rescue actions.

The activities undertaken shall enhance the quality of public safety, shall strengthen the resistance to the effects of breakdowns and elementary disasters, and they will improve the state of the environment through decreased emissions to the atmosphere of the toxic products of combustion.

Tomasz Komornicki, IgiPZ, Warsaw

Transport as a theme is slightly higher in these areas, also perhaps reflecting the regions greater needs for accessibility. But still the theme of transport encompassed less than 10% of all projects in the Eastern frontier area, which was a bit unexpected.

Table 6. IIIA Programme areas with Transport as Theme in Eastern Frontier/New Member States.

IIIA Programme area with Transport as Theme at Eastern borders/NMs				
Programme	Name	# of transport	total projects	percentage
5	Austria - Slovenia	5	46	10,9
6	Austria - Hungary	5	63	7,9
7	Austria - Slovakia	1	21	4,8
11	Saxony - Poland	2	16	12,5
12	Sachsen-Czech Republic	9	57	15,8
14	Brandenburg - Lubuska	6	50	12,0
18	Italy - Slovenia	8	331	2,4
23	Bavaria - Czech Republic	6	40	15,0
30	Spain - Morocco	6	52	11,5
33	Greece - Albania	1	14	7,1
34	Greece - FYROM	1	6	16,7
35	Greece - Bulgaria	8	38	21,1
39	Euregio Karelia	14	113	12,4
40	South East Finland - Russia	25	142	17,6
43	Nord	11	92	12,0
53	Italy/Balkans- Adriatic	5	67	7,5
54	Czech Republic - Poland	9	39	23,1
56	Slovakia- Czech Republic	5	20	25,0

The programme area with the highest percentage of projects dealing with transport is Programme 56 (**Slovakia- Czech Republic**) with 5 of its only 20 projects devoted to transport. However four out of the five transport projects deal with bicycle and hiking routes rather than road, rail or sea transport. This is perhaps due to the fact that road and rail transport projects are very expensive, and the goal of cross-border cooperation can be achieved fairly cost effectively through lower budget projects, such as bicycle paths. In the **Greece/Bulgaria** programme, however, all 8 transport projects deal with motorways, particularly the Egnatia Motorway. The projects in the **Nord** programme (Sweden-Finland-Norway-Russia) deal with multi-modes of transport including air, road, boat rail, bridges and busses.

6 The Value added of Cross-border Cooperation

Cross-border cooperation is crucial for achieving economic, social and territorial cohesion in Europe, in particular borders regions between new and old EU members and between EU25 and neighbour countries. Territorial cohesion has the goal to reduce disparities of income, employment and quality of life *between* and *within* regions and countries.

According to the Third Report on EU Social and Economic Cohesion, *territorial cohesion* goes beyond the notions of economic and social cohesion for balanced development, reduction of disparities and imbalances. The Third Cohesion Report is thus concerned about the economic disparities and border regions lagging behind, in particular regions between new members and old member and between EU and Eastern European countries. The

report recognises that these border regions are expected to have higher intensity of changes and adjustments pressures mainly due to increase competition and labour markets.

Economic and social integration includes the reduction of barriers to trade and movement of people that can influence the market access potential. While the aim of the European Union is to reduce these barriers to trade and movement by diminishing the importance of national borders, important barriers still remain. Border regions thus become highlighted in this respect. "Border regions are likely to play a critical role within the spatial dynamics initiated by integration " (Niebhur, 2005).

6.1 Increasing competition and cohesion in the EU

According to ESPON project 2.2.2, territorial cohesion takes up the problem of balance between developing national competitiveness and growth in a country by focusing on existing growth poles and developing the cohesive potential of less competitive regions.

One of the hypotheses of this study is that *regions with high economic disparities on both sides of the border have a greater impetus to cooperation in cross-border cooperation*; mainly because the potential for change is greatest in this case and there is the opportunity for both sides to learn from one another and thus increase territorial cohesion within the cross-border area.

This hypothesis will be tested via the questionnaire sent to the 900 main or lead partners of selected INTERREG IIIA projects and will be utilised in helping to feed the typology developed by ESPON 1.1.3 regarding the potential in border regions. While at this stage it has not yet been possible to make the correlation between number of projects in each NUTS IIIA region of each INTERREG programme and GDP per capita, we have preliminarily correlated GDP per capita per NUTS 3 cross-border region and the intensity of participation in INTERREG IIIA programmes and projects.

The participation of NUTS3 regions in INTERREG IIIA programmes varies. Some NUTS 3 regions participate in 1, 2 or 3 programmes. For example NUTS LT007 with the lowest GDP per capita of 332,7 participates only in one programme while AT130 that has a high GDP participates in 3 programmes. It is not to generalise that all low GDP per capita participate only in one program but could be a sign that the GDP could influence in the number of programmes and projects in which the regions participates.

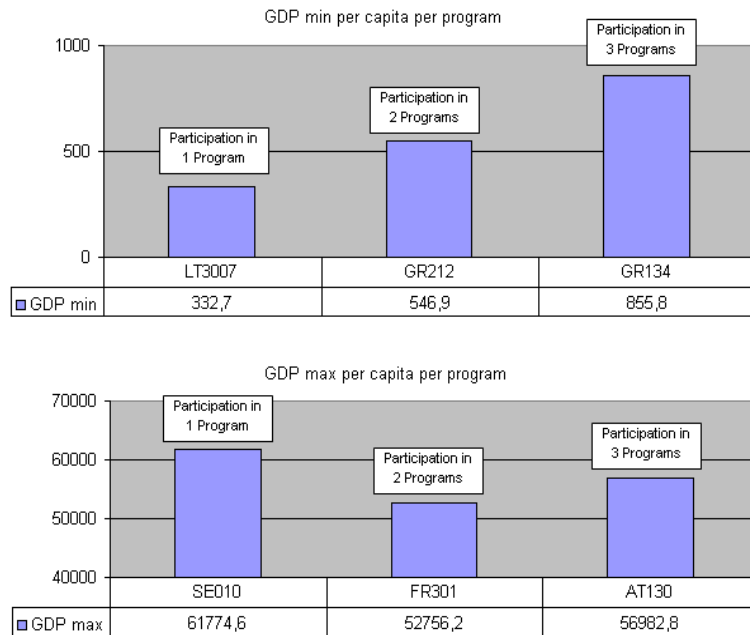


Figure 1. GDP per capita per programme, examples

The challenge is to find a relationship between number of projects and GDP per capita. If we consider NUTS 3 level we need to make some assumptions due to the limited data. It will be assumed that the region participates in all of the projects in a given program (which may or may not be the case in reality). To simplify even further the analysis, the following ranges for GDP per capita are going to be considered: less than 600, 700, 800, ... 62000. In addition, we considered the average number of projects for each of these GDP ranges.

The analysis seems to point out that the correlation of GDP and number of projects is not evident. The value of the correlation is positive which indicates a small trend towards having more projects in regions with higher GDP per capita. The correlation is rather a low value, reasons for this can be due to the fact that there are a few programs with an enormous amount of projects, as the case of programme 29 (Spain-Portugal) that has 394 projects (more than 10% of the total number of projects registered for Interreg IIIA) while Program 48 (Gibraltar-Morocco) has only 1 project. These values are "picks" in the curve in graph below where Y represents the average number of projects.

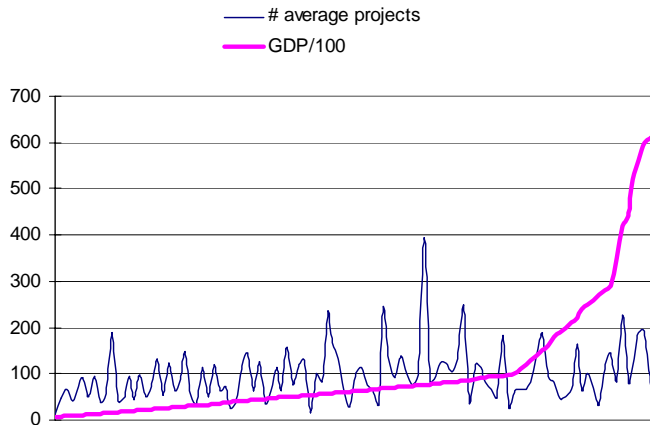


Figure 2. Correlation between GDP per capita and average number of projects at NUTS3 level

Another reason for a weak trend is the fact that there is a high concentration of regions with GDP per capita less than 10000 with around 100 projects average.

Average Projects

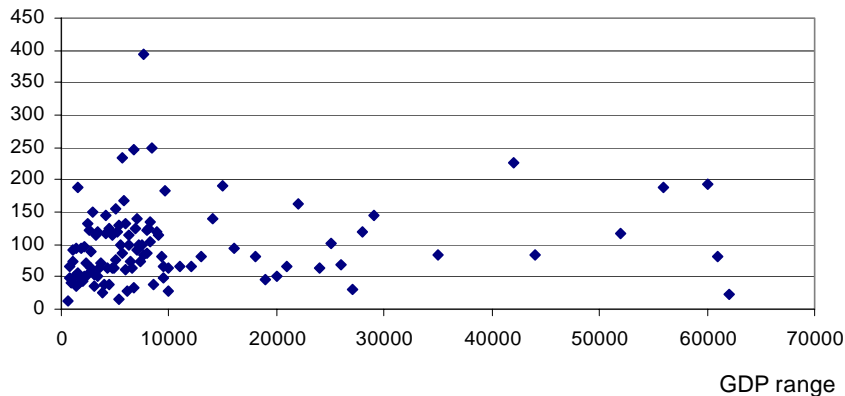


Figure 3. Regional GDP per capita and average number of projects

We see in the diagram above that regions with a GDP of lower than 100,000 EUR per capita tend to have on average between 6-150 projects in these regions, and that the correlation of GDP per capita and cooperation intensity is slight. However the results may be useful in that it shows that regions with lower GDP per capita at least do not tend to participate in a much lesser degree in INTERREG IIIA projects and this may be one of the confirmations of our hypothesis that cross-border regions with high economic disparities tend to have more impetus to cooperation.

7 Integration Potential in Border Regions

Thus far the database of the INTERREG IIIA projects is still being updated. A significant gap in this database are projects in many of the new member states and accession countries, which at the time of this draft report, have only begun to publish their approved projects. To address this temporary gap we look to the typologies of border regions developed by ESPON project 1.1.3 which address the potential of border regions for cross-border integration or cooperation.

The ESPON 1.1.3 project dealt with the integration potential of border regions by examining 118 land border regions defined at NUTS 3 level in the new member states, as well as in Bulgaria and Romania. For this exercise, sea borders had not been included.

On the basis of border characteristics such as geographical type of border (mountain, river or "green border" (ie with no natural barriers of crossing) and the density of road border crossings per 100 km of border, the Draft Typology #1 was determined to show the cross-border potential for physical flows of people and goods in terms of the potential for change.

Potential for change Starting position	High: Green border	Low: Mountain/River border
Good: High density of border crossing points	Forerunners of integration	Hardworkers of integration
Bad: Low density of border crossing points	Candidates of integration	Handicapped for integration

Figure 7: Draft Typology #1: Border typology for integration potential – potential for change of physical flows.

In the Draft Typology #2 of the border region typology developed by ESPON 1.1.3, the degree of economic disparities between cross-border regions and membership in transnational activities was examined with the goal of determining the potential for cross-border project intensity. The hypothesis was made that a large gap in GDP per capita between cross-border regions give a high potential for change and cooperation within the cross-border regions. Membership in the transnational activities of Euroregions and/or Transnational Working Communities was examined, since these activities often set the institutional framework or intention for more specific cross-border activities, such as INTERREG III programmes and projects.

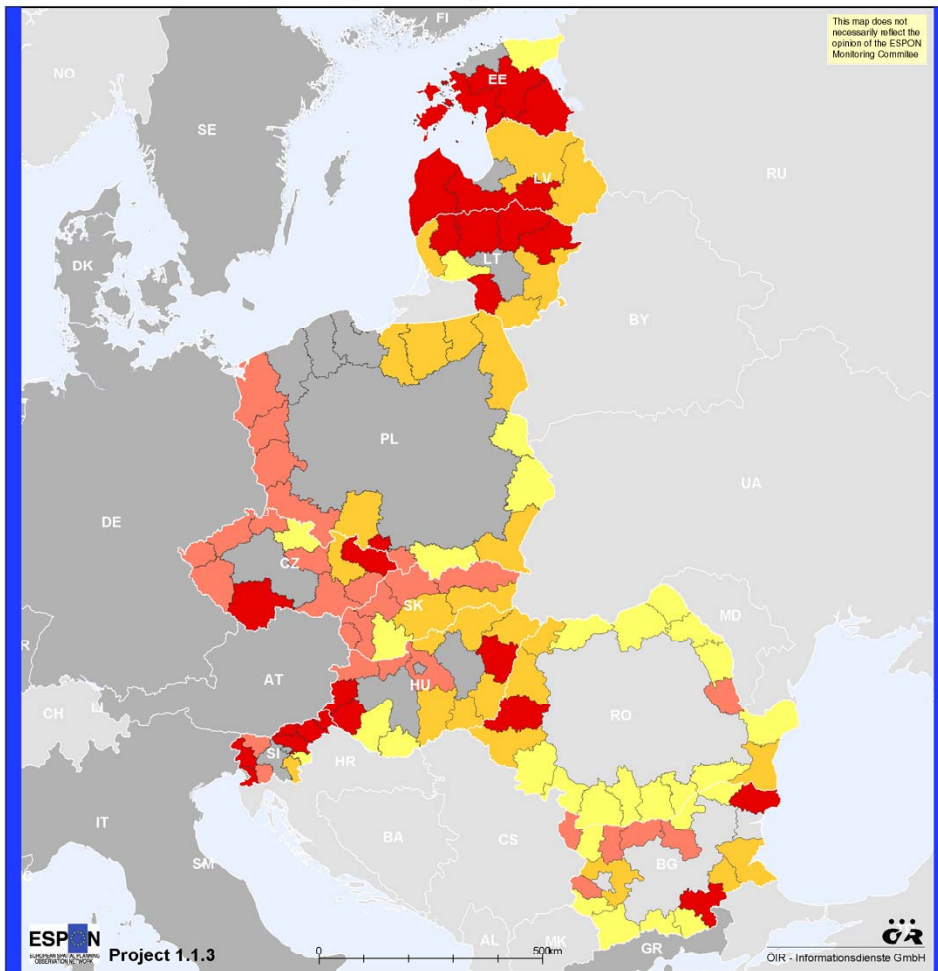
Potential for change Starting position	High: High economic disparities	Low: Low economic disparities
Good: High number of trans-national activities	Forerunners of integration	Hardworkers of integration
Bad: Low number of trans-national activities	Candidates of integration	Handicapped for integration

Figure 8: Draft Typology #2. Border typology for integration potential – potential for change in cross-border project intensity.

As shown in the typologies, four different types of regions are determined. *Forerunners* of integration, which have both a high starting position for cross-border activities and a high potential for change, *Hardworkers* of integration, which have a high starting position, but a low potential for change, *Candidates* of integration with a low starting position for cross-border activities, but a high potential to change this situation, and *Handicapped* regions for integration, with both low starting positions and potentials for change.

It is important to remember that these border region types thus far say nothing about the scope or intensity of actual cross-border activities in the regions, but rather point out the potential of regions for cross-border activities from simple criteria.

Draft #1 border typology for integration potential



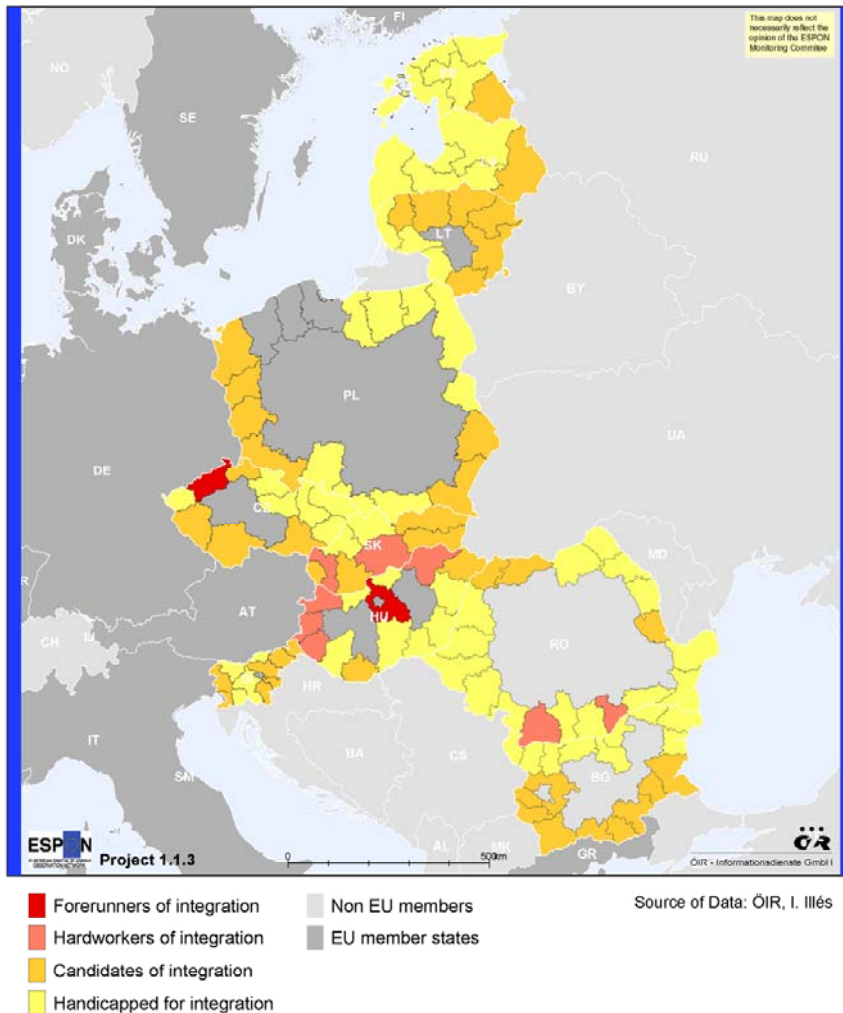
- Forerunners of integration
 - Hardworkers of integration
 - Candidates of integration
 - Handicapped for integration
 - Non EU members
 - EU member states
- Source of Data: ÖIR, I. Illés

Map 1: Draft Typology #1

As shown in the map above, the ESPON border region typology #1 (Potential for physical flows), points out some interesting patterns in the Enlargement area. Regions in the Baltic countries are largely *Forerunners* of integration, primarily due to the fact that the national borders have few geographical barriers, such as mountains. The border regions that are internal to the EU 25 tend to be *Forerunners* or *Hardworkers* of integration due to the high density of road border crossings in the EU, while those regions that form the external border of the EU-27 and accession countries, are more often labeled as *Candidates* or *Handicapped* for integration, not surprisingly due to the lesser number of border crossings with Russia, Belarus, Moldavia and Ukraine.

A different pattern for cross-border potential emerges in Draft Typology #2 for socio-economic or project intensity potential.

Draft #2 border typology for integration potential



Map 2. Draft Typology #2

In this typology we see only two *Forerunners* of integration: the NUTS 3 regions of Ustecky in the Czech Republic and Pest in Hungary. This is largely due to not only their membership in three Euroregions or Working Communities each, but also due to the

great economic disparities to the surrounding regions - Germany in the case of Ustecky and Slovakia in the case of Pest (the Budapest regions was not included as a border region). This is perhaps unsurprising since, as shown in section 4 border regions tend to have similar economic situations, especially among those that are internal or external to the EU 25 + NO and CH. In general we also see from the map that there are fewer Euroregions or Working Communities in the periphery of Europe, as compared to the center. But this is also perhaps a result of the fact that Euroregions across sea borders were not counted.

7.1 INTERREG IIIA project intensity and the ESPON 1.1.3 border region typologies

What does this typology say about the actual intensity of INTERREG IIIA projects in the various types of regions? To “test” the typologies, in this study we have counted the actual number of projects active within each NUTS 3 region of the various “types” and derived an average number of projects for each type.

For this purpose, the ESPON-INTERACT database of INTERREG IIIA projects was utilized. However it is important to remember that the database is still in the process of being updated. Projects in many of the programmes of the Enlargement area have not yet been entered into the database and therefore the results of this exercise must be seen as highly preliminary.

Project Intensity for Typologies:

Average # of projects for each Type

Regional Type	Forerunner	Hardworker	Candidate	Handicapped
Typology #1	75	59	25	50
Typology #2	67	63	70	46

Table 9. Project Intensity for Typologies

As seen in table 9 above, there seems to be a certain pattern to the intensity of INTERREG IIIA projects per region in the four different types. NUTS 3 *Forerunners* of integration in the Typology #1 do indeed appear to have a higher average number of projects than do the other types and this could possibly show that the more porous a border is, the more incentive there is for INTERREG IIIA cooperation.

However this category of *Forerunners* in Typology #1 contains the IIIA programme of Italy-Slovenia, which has a grand total of 331 projects in two of the Slovenian NUTS 3 regions that are included as *Forerunners*. Likewise it may seem somewhat strange that *Candidates* in this typology (green border, but low density of border crossings) only have on average 25 projects for each region, but this category includes many regions involved in INTERREG IIIA programmes for which there are not yet approved projects documented, including programmes involving Poland, Bulgaria, Hungary, Romania and Slovakia. When complete project data is compiled the results may change somewhat.

In Typology #2 we see a more even spread of average number of projects per region within each type. In this case *Candidate* regions (with high economic disparities and a low number of transnational activities) have a greater number of average projects than

do the other types. Slightly more than half of the regions in this category have projects reported as according to the last update of the INTERREG IIIA database. Projects reported to those regions typed as *Handicapped* for cross-border activities (low economic disparities and low number of transnational activities) are only reported in one-third of all regions. Again, caution must thus be exercised when interpreting these results, even though the broad patterns may be discerned.

The typologies are at the moment being updated to encompass the entire INTERREG IIIA spaces, even including sea borders (as determined by IIIA programme areas). The results of this exercise will be presented in the Final Report of this study in July.

8 THEMES OF COOPERATION WITHIN THE BORDER REGION TYPOLOGIES

As a second step in comparing the ESPON 1.1.3 border region typology with the INTERREG IIIA projects, we have compared the various ESPON themes of cross-border cooperation with the types of border regions, according to the two typologies. Are there any discernable patterns of the potential of the border regions and what types of projects do they actually cooperate on?

Percentage of IIIA projects in each type dealing with ESPON themes

Theme		1	2	3	4	5	6	7	8	9	10	Total
Typology 1		Transport	ICT	Energy	Environment	Hazards	Culture/CBC	Growth	Knowledge	Education	Remote/Rural	all
#1	Forerunner	8	1	1	19	3	16	19	17	16	1	100
#1	Hardworker	8	1	1	18	2	16	19	17	16	1	100
#1	Candidate	15	1	0	12	12	7	15	26	11	0	100
#1	Handicapped	10	1	0	23	5	17	16	18	9	0	100
Theme		1	2	3	4	5	6	7	8	9	10	Total
Typology 2		Transport	ICT	Energy	Environment	Hazards	Culture/CBC	Growth	Knowledge	Education	Remote/Rural	all
#2	Forerunner	15	1	3	15	3	28	9	9	10	6	100
#2	Hardworker	8	0	6	35	3	16	14	14	3	0	100
#2	Candidate	8	1	1	15	3	15	19	18	18	2	100
#2	Handicapped	7	1	0	17	3	17	20	17	17	1	100

Table 10. Percentage of INTERREG IIA projects in each type dealing with ESPON themes

Table 10 above shows that the percentage spread among themes within each type does not differ dramatically from the spread of themes across all of the INTERREG IIIA projects (see Table 5) and since the typologies are at this point only limited to the Enlargement area, the occurrence of themes is quite similar to the classification of IIIA projects on the Eastern frontier (see Table 6). However within each border region type there are some interesting deviations from the general pattern of themes.

Transport

Transport projects are relatively more important for the *Candidates* of Typology #1 and the *Forerunners* of Typology #2. In the case of the *Candidates* of Typology #1, the borders with few natural barriers, but the low density of road border crossing points perhaps makes these regions perfect "candidates" for an increased emphasis on cross-border transport, particularly projects for which transport infrastructure is relatively less expensive than that needed to span a river or mountain pass. An example of such types of projects is seen in the Candidate regions of Zlinsky, CZ and Trenciansky kraj, SK in the **Slovakia-Czech Republic** Programme, where lower cost cycling and tourist trails make up one-fourth of all projects in all themes.

On the other hand, at 10% of all projects, the *Handicapped* for integration in typology #1 have about the same percentage of transport projects as the entirety of the IIIA area (which is 9,6% for all projects in the EU 27+NO and CH). As stated in an earlier section, the **Greece-Bulgarian** INTERREG IIIA programme has one-fourth of all its projects devoted to transport, in particular the Egnatia Motorway which is the collector road for transport in the Balkans and South-eastern Europe and is served by nine vertical axes, linking it with Albania , FYROM and Bulgaria. Thus transport projects seem important even in regions handicapped by a mountainous border and low density of border crossing points.

In the case of the *Forerunners* of Typology 2, the higher economic disparities and high number of transnational activities perhaps spur the possibilities of cross-border trade and thus transport projects provide the needed accessibility for this.

Energy and Environment

The ESPON theme of energy shows the same low frequency as a project theme in the typology regions as they do in the entire INTERREG IIIA space. However energy projects make up 6% of the entire projects in the *Hardworkers* of Typology #2, well above the 0,8% of the entire programming areas. An interesting area in this respect is the "Hardworker" of Typology #2: The INTERREG IIIA projects of **Austria-Hungary**, encompassing Győr-Ménfőcsanak-Sopron, HU, Vas (HU), Zala (HU) Mittelburgenland, AT, Nordburgenland AT, Sudburgenland, AT and Wiener Umland/Sudteil, AT, have four projects dealing specifically with renewable energy. See text box below:

Renewable Energy projects in Austria and Hungary
(*Hardworker of Typology #2*)

LEE Bruck/Leitha: Feasibility study on "renewable energy in central and Eastern Europe"

Main Partner:

Energiepark Bruck an der Leitha, AT

Other partners:

University of West Hungary, Faculty of Agricultural and Food Sciences,
Mosonmagyaróvár

Energy Center Bratislava

Technische Universität Wien

Donauuniversität Krems

Information offensive on renewable energy- West Hungary

Main Partner:

Österreichisches Forschungs- und Prüfzentrum Arsenal Ges.m.b.H, Wein

Partners:

Széchenyi István Hochschule, Győr

Regional economic revival by the employment of renewable energies

Main Partner:

Europäisches Zentrum für Erneuerbare Energie Güssing GmbH

Partners:

Municipality of the City of Körmend, HU

Municipality of the City of Szombathely HU

Solar Net II – Technology Offensive Solarthermie, Wien, Burgenland - Ungarn

Main Partner:

Projektträger in Österreich:

17 & 4 Organisationsberatung GmbH Wien

Partner

Széchenyi István Hochschule, Győr.

As "*Hardworkers*" of the Typology #2 these regions enjoy fairly low economic disparities and a larger amount of transnational structures in place for cooperation. The population density for all regions is in the middle range and therefore similar. The emphasis on environmental aspects appears also to be high with the *Hardworkers* group. 35% of all themes within this group deal with environment and quality of life, many, like the Austrian-Hungarian projects above, linking energy supply to ecological concerns. One conclusion could be that regions with similar preconditions of fairly high development, are more apt to cooperate in projects dealing with a concrete infrastructure, such as energy, ICT or environment, rather than "softer" themes that deal with areas such as education and training, which sometimes can mean that the "learning" goes one way – from the more developed to less developed region.

Culture and Cross-border Social Interaction and Remote/Rural Areas

The few *Forerunners* of Typology #2 have a high percentage of projects devoted to Culture and Cross-border Social Interaction (28%). Regions in this type, with a high degree of economic disparities and a high number of transnational activities are said to be forerunners of cross-border integration, as the disparities of income give great incentive to work together. An interesting example of this type of Forerunner is the region of Ustecky, CZ (CZ042) which cooperates with Sachsen in Germany in an INTERREG IIIA programme (**Sachsen- Czech Republic**). As early members of 3 Euroregions, the regions in this programme have a long history of cooperation.

Considering the quite small area of the Sachsen-Czech Republic INTERREG IIIA programme and the mountain border, the total number of projects (67) is fairly impressive. 19 out of the 67 projects in this programme deal with culture and cross-border social interaction, many of them concerning the organization of festivals, marketing events and tourism projects around a shared cultural heritage.

Examples of Cultural Projects in Sachsen- Czech Republic INTERREG IIIA programme

Lords of Bunau:

The jubilee of the creation rights of property of lords from Buenau was the inspiration for this joint Czech – Saxony project. The target is to help structurally handicapped regions to renovate their sights and to develop cross border cultural contacts. The tourist visit rate is influenced by low border permeability and high unemployment. The German partner, Castle Weesenstein with its visit rate ca 60 - 100.000 persons per year will share its experiences on commercial activities with Czech project partners, castles Decin and Jilove. On the other hand Czech side will help to increase the interest of Czech tourists on Saxony sights (castles Liebstadt, Lauenstein, Weesenstein). The common exhibition will be organized and the common promotion and tourism offer will be implemented.

Farm in Erzgebirge/Farmyard of domestic animals:

The aim of the project is to develop the tourist infrastructure in Chomutov region, which is part of the Euroregion Krušnohori (Erzgebirge). Situated here is the Podkrušnohorský Zoo Park, which has the permanent visit rate, ensured by the tourists from near regions of Germany. In the unique area of nearly 120 ha the visitors can observe many of animals of the pale arctic area in their natural conditions. In the area of 30 ha you can find Eurosafari, where you can observe wild animals. Further there is Info Centre, restaurant, shop with souvenirs and playground. In order to increase the visit rate and improve the tourist trade the composition of Erzgebirge farm is being prepared. In the future, this project will inform the visitors on specifics of farming in this region.

Source: ESPON-INTERACT INTERREG IIIA Database

As seen in the text box above, the cultural projects incorporate tourism activities, as well as opportunities for growth for both regions and seem to entail a two-way chain of learning among the actors.

Projects within this programme that have culture as a secondary theme include 4 projects that deal with Remote/Rural areas. Indeed the *Forerunners* of Typology #2 show that 6% of all projects are devoted to the situation of remote, peripheral or rural regions, far above the INTERREG IIIA project average of 1,3% in all areas and 0,4 percent on the Eastern frontier. In the **Sachsen-Czech Republic** programme, these projects deal with crop rotation in remote mountain areas and preservation and conversion of old craftsmens houses in the same type of area. The focus on remote and rural areas is quite remarkable for regions such as these in Germany and the Czech Republic that in general are characterized by medium to medium-high population density. More projects of this sort are needed to examine the relationship and potential synergies between urban and rural areas.

Growth, Employment and Competitiveness- Strategic goals

Growth as a theme is important for nearly all of the border region types within the typology, nearly in line with the 20% of all projects in the INTERREG IIIA area that have of Growth, Employment and Competitiveness as a main theme. Only the *Forerunners* of Typology #2 have growth as a relatively lesser goal. However growth as an INTERREG IIIA theme is sometimes an elusive goal; there is a risk that the results of the projects on long-term employment and competitiveness patterns might not be seen until the after completion of the project. Thus projects that focus on growth tend to be more *strategic* in nature and as such encompass a range of more concrete sub-themes and goals.

One interesting growth project within the Estonia-Latvia-Russia programme takes just such a strategic approach to growth. This project involves the regions of Louna-Eesti in Estonia and Vidzeme in Latvia, *Candidates* and *Handicapped* respectively within Typology #2, *Forerunners* and *Candidates* respectively in Typology #1. The project involves the local governments of the twin cities of Valga in Estonia and Valka in Latvia. Once a common town in Soviet times, the cities have been separated by a national border since independence in the 1990s. In more recent times this has complicated cooperation between the cities, not least with respect to the different languages spoken on each side of the border and the waning of the use of Russian as a common language in Latvia and Estonia.

The situation of these cities clearly embodies elements both the barriers and possibilities that national borders entail and point out the important opportunities that cross-border cooperation can have in building bridges between the border regions.

INTERREG IIIA project: Valga-Valka: 1city 2 states

Valga situated in South-Estonia and Valka situated in North-Latvia are twin-towns located on the opposite sides of Estonian-Latvian border. Valga (165 sq km 15 000 inhabitants) is slightly bigger than its southern neighbour Valka (142 sq km 7 100 inhabitants). Despite the fact that Valga and Valka are so close to each other, the cooperation network between the towns functions only on an operational level and not strategic level.

So far the town governments of Valga and Valka have independently conducted the planning of the areas. The cooperation in the fields of healthcare education culture tourism and entrepreneurship has been limited only to occasional meetings and events. The lack of cooperation on the strategic planning level has led to different problems concerning efficiency and balanced spatial development of the area. The lack of mutual agreements on the principles of urban planning has restrained balanced spatial development of the area as a whole and caused duplication in various activities. A unitary marketing strategy emphasizing the fact of being the only twin-towns in the Estonian-Latvian border could distinguish the towns from other periphery and raise their competitiveness.

The main objective of the project is to establish strong cross-border cooperation network between Valga Town Government and Valka Town Government in the areas of spatial planning of the area tourism education healthcare culture and sports. The idea is to 'break barriers' between two towns in order to employ the full potential of the uniqueness of the two towns. This objective is achieved by blueprinting mutual city-planning principles such as healthcare development plan culture development plan education development plan sports conception tourism-strategy and working out unitary logo for the towns tourism signposts and maps promotion materials. While Valga Town Government is the lead partner in the project, Valka Town Government is actively involved in all the activities.

*Source: Baltic Sea Region INTERREG IIIB: INTERREG IIIA Priorities
www.bsrinterreg3a.net/index.php?sec=running_projects&num=47*

9 Possible new priorities for INTERREG A strand

Considered new priorities for the INTERREG programme consolidate many of the ESPON themes quite nicely, as shown in Table 11 below. As seen from the example of **Valga-Valka** above, projects that focus on growth, employment and competitiveness are of a strategic nature and encompass several more concrete sub-goals such as tourism, culture and trade. As shown in the text box on the cultural projects of the **Sachsen-Czech Republic**, cultural activities are often a starting point for increased tourism and entrepreneur activities, with the goal to develop the region socially and economically. Thus it could perhaps make sense to link these goals more closely in the new priorities for the INTERREG period 2007-2013.

New Priorities	ESPON Themes
Entrepreneurs, SMEs, Tourism, Culture, Cross-border Trade (Development)	7) Growth, Employment and Competitiveness 8) Knowledge sharing and Innovation
Protection and management of natural and cultural resources, Natural and technological risks (Nature, Culture and Risk)	4) Environment and Quality of Life 5) Hazards
Links between urban and rural areas (Urban-rural)	10) Remote and rural areas
Access to transport, information and ICT, water, waste and energy facilities (Accessibility and Infrastructure)	1) Transport 2) ICT 3) Energy
Collaboration, capacity and joint use of infrastructure, Health, culture, tourism, Education (Capacity building)	6) Social and Cross-border social interaction 9) Education, training and migration

Table 11: New INTERREG themes and ESPON themes

The exercise of analyzing INTERREG IIIA project themes according to some of the themes taken up by the ESPON programme helps in understanding the new priorities in a slightly different way. We can also see that there seem to be two broad categories of INTERREG IIIA projects: "**Hard**" projects that deal with infrastructure provision (including energy) as well as environmental and cultural management and risk management and "**Soft**" projects that take up themes of development, employment, urban-rural relations, and especially collaboration and capacity building across borders. These soft projects focus more so on learning between cross-border regions with an emphasis on developing the tools for longer-term cooperation and regional development rather than the an actual concrete result.

However, this is a fairly large simplification. Nearly all IIIA projects contain elements of both "hard" and "soft" cooperation. Perhaps it is more accurate to say that cooperation starts out on a small scale, setting up the framework of transfer of knowledge and best practices at a lower cost, before transforming into tangible results (which are often the more costly projects).

Is there any difference in the intensity of projects dealing with "hard" respectively "soft" themes of the possible priorities among the types of border regions, as defined by ESPON 1.1.3? To examine this we have consolidated ESPON themes into the "new" priorities and distinguished projects that are primarily "soft" as well as projects that are primarily "hard".

	"Hard Projects"			"Soft Projects"			Total Soft
	Theme Nature, Culture, Risk	Infrastructure	Total Hard	Collabor./Capacity	Development	Urban-Rural	
Typology 1							
Forerunner	22	10	32	32	36	1	69
Hardworker	20	10	30	32	36	1	69
Candidate	24	16	40	18	41	0	59
Handicapped	28	11	39	26	34	0	60
Typology 2							
Forerunner	18	19	37	38	18	6	62
Hardworker	38	14	52	19	28	0	47
Candidate	18	10	28	33	37	2	72
Handicapped	20	9	29	34	37	1	72

Table 12: "Hard" and "soft" projects within the ESPON 1.1.3 Typology regions

In the table above we see that in general INTERREG IIIA projects in the enlargement area deal more often with "soft" projects than with "hard". Capacity building and collaboration projects assume roughly one-third of the total number of projects in the enlargement area, while Development projects have a slightly higher percent, up to 41% for *Candidates* of Typology #1.

Hard projects characterise the cooperation for the *Hardworkers* of Typology #2 to 52%. These are the regions that have a low degree of economic disparities and a large number of transnational activities. As stated above in the text this could be due to the fact that collaboration in the form of education and learning, as well as capacity-building from a more developed region to a lesser developed region has become superfluous. On the other side of the coin, the *Candidates* and *Handicapped* for cross-border integration in Typology #2 are active in fewer Euroregions and Working Communities, and thus "soft" projects of INTERREG IIA could tend to fill this framework to cooperation role to a greater extent (72% in both cases).

Below we profile the cooperation between **Estonia and Finland** in a knowledge-building project. While most of the regions of Estonia are typed as *Handicapped* for integration in the Typology #2, due to the low disparities between cross-border regions, the picture could change when the INTERREG IIIA borders are taken into account and these regions are counted as border regions with Finland (sea border). Nevertheless the cooperation between Estonia and Finland is highly focused on knowledge-sharing and building human capacity. With similar cultures in Estonia and Finland, the focus appears to be more on high-tech knowledge transfer, rather than projects that increase cultural understanding.

Estonian-Finnish INTERREG IIIA Cooperation- Knowledge Transfer

In Finnish-Estonian cross-border cooperation (CBC) has been aimed at promoting “cognitive integration” of participating regions. The emphasis was put on networking, research, innovation, knowledge-sharing, institutional learning, education and training. Thus, by developing their social and human capital through CBC, the regions try to occupy a leading place in global information society. Estonia’s accession to the EU was also a major factor affecting CBC. A major part of Finnish-Estonian projects had a knowledge-transfer component facilitating the adjustment of Estonian institutions to the requirements of the EU.

Project in Focus: Trainer project

Goals: (1) to enhance willingness to develop e-learning in the educational institutes and teacher education institutes in the target area; (2) to help in creating common e-learning study modules to be used in the organizations taking part in the project

Partners: Finnish and Estonian universities and colleges from Helsinki, Porvoo, Tartu and Pärnu (and a few participants from Latvia, Lithuania and Russia)

Mode of interaction: seminars and exchange research visits

Results:

- Skills of arranging e-learning in educational institutes have increased;
- Routines of arranging continuing education to personnel of educational institutes have developed;
- Attitudes of teachers towards e-learning have become more positive;
- Teachers who have taken part in the training have developed better skills in using ICT;
- Such e-learning study modules have been developed that are in the future free to use to every organization that has taken part in the study module development of E-Trainer;
- Cooperation network of Finnish, Estonian, Latvian, Lithuanian and Russian (Kaliningrad) educational institutes for future e-learning development has been created.

Special features: E-learning *per se* represents a powerful and accessible instrument stimulating cross-border interaction. E-learning study courses provide the opportunity to create genuinely diversified “virtual classes” of students from different countries, which may eventually evolve into interesting milieus for cross-border integration.

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10 Conclusions

During the last decade Cross-border cooperation has become a well-organized and institutionalised field. It is quite typical when Interreg IIIA projects are follow-ups of their predecessors from the Interreg II programme. Likewise, in their turn, Interreg IIIA projects are followed by a new wave of cross-border cooperation initiatives. It seems the process of cross-border as a whole has become self-sustaining, because it is based on the understood need in and real benefits of cross-border interaction.

Cross-border cooperation at its core represents a meeting of two different cultures. Their interaction naturally leads to mutual learning and integration. This milieu of inter-cultural dialogue is the place where societal innovations are bound to appear. And they do appear, as the project illustrations in this study demonstrate. It has not yet been fully understood whereto this process leads our societies.

Cross-border interaction is a powerful force affecting social and economic structures of neighbouring regions. Some border communities reap benefits of their geographical position, while others are left behind. It has become clearer that state border represents not only a liability, but also an asset, when different conditions (social, economic, cultural, political and regulatory) on both sides of the border can be capitalised and exploited for the benefit of local actors. Those communities that are capable of "taming" the border potential have already been turned into centres of growth. The linkages between cross-border interaction and spatial regional structure should become a subject for further research (e.g. within the framework of ESPON II).

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