Overcoming cross border obstacles to boost growth in EU border regions

See also IP/17/3270

In line with the objectives for <u>Better Regulation</u> and a <u>deeper and fairer</u> <u>internal market</u>, the Commission is issuing a communication on "Boosting growth and cohesion in EU border regions", with a set of new concrete actions and a list of ongoing initiatives to develop further, to help EU border regions grow faster and ever closer.

The issues at stake:

Border regions represent 40% of the EU territory. While over a quarter of Europe's GDP is produced in its border regions, their full economic potential remains untapped.

In 2015, the Commission launched a review of cross border obstacles across the EU, which identified <u>239 specific cases</u> of obstacles of administrative and legal nature. These are invisible yet real bottlenecks for those 150 million citizens living in EU border regions. The review established three main categories of obstacles:

Getting a job across the border: having one's skills and competences fully recognised, accessing job vacancies, securing full social security coverage: there is still room for improvement in these areas. In the context of the review, citizens and businesses have asked for better access to reliable information about rules and available services on the other side of the border.

Doing business across the border: a company doing business across the border spends 60% more than businesses operating domestically to carry out key procedures mainly because of additional translation and certification costs.

Using public services: different procedures for reimbursement of medical services, different fares and lack of connections between public transport systems, language barriers — using public services in border regions is not always a smooth part of one's daily routine like in other EU regions.

The overall aim of this communication is to stimulate dialogue on cross border issues between Member States and regions and help them, upon request, deepen their cooperation. The Commission will make good practices available and provide expert advice with the creation of a hub of Commission experts, the Border Focal Point, and the selection of up to 20 projects offering innovative solutions to deal with cross border issues.

In addition, in the context of the ongoing reflection of <u>the future of EU finances</u>, this Communication provides food for thoughts in the shaping of the next generation of cross border cooperation ("<u>interreg</u>") programmes.

The Border Focal Point

The new Border Focal Point is comprised of Commission experts in cross border issues. Experts will interact with Member States, regional and local authorities and businesses via **a new online network**, hosted on the Commission Futurium IT-platform.

Via this network, which will be operational as of January 2018, they will gather and share good practices on smooth cooperation and offer tailored support to overcome specific cases of cross border obstacles.

Getting a job across the border

The new Border Focal Point will identify good practices in the field of cross border employment services, such as the partnership developed between the Spanish region of Galicia and the Portuguese Norte region.

Regions looking to deepen their cooperation can get advice on mutual recognition of qualifications, joint study programmes or coaching services for entrepreneurs.

Where differences in rules and procedures cannot be overcome, the Border Focal Point can provide good practices on how to best give citizens reliable and understandable information on different tax or social security regimes, for example.

Good practices gathered via the Border Focal Point in this area can contribute to the setting-up of the future <u>European Labour Authority</u> announced by President Juncker in the <u>2017 State of the Union</u> address, in order to strengthen cooperation between labour market authorities at all levels better manage cross-border situations.

The future authority will strengthen administrative cooperation in the single market, pool existing tools for cross-border mobility to provide a one-stop shop for citizens, business and public authorities, fight abuse of labour and social legislation, organise joint cross-border control activities and build on existing agencies and structures to manage better cross-border and joint activities.

• Doing business across the border

In line with the wider Commission effort to upgrade business environment in Europe, especially via the third pillar of the <u>Juncker Plan</u>, the Border Focal Point aims to stimulate dialogue and cooperation among border regions on removing barriers to investments.

Experts from the Border Focal Point will get in touch with regional authorities and businesses via the online network. Upon request they will provide support for a greater alignment of rules for setting up businesses, share good practices from other border regions (coaching and training services, projects promoting bilingualism, platforms for job vacancies across the border) and promote an increased use of online procedures.

In this respect, the Border Focal Point will inform stakeholders about Commission initiatives that will benefit companies looking to do business on the other side of the border:

A Single Digital Gateway will help people and companies have easier access to reliable information, online administrative procedures and assistance services. Any procedure currently available online for domestic users will be accessible to users from other Member States and in one additional EU language. 13 key administrative procedures will be made available online, including on setting up a business.

Moreover, citizens and businesses having problems in a cross border situation because of the wrong application of EU law by a public authority, should be informed and signposted to <u>SOLVIT</u> if appropriate. SOLVIT is a network that helps companies and businesses solve problems in the single market.

Finally, in January 2017, as part of a wider <u>service economy</u> package, the Commission proposed a **new European Services e-card**; a simplified online procedure that would make it easier for providers of business services (engineering firms, IT consultants...) and construction services to complete the administrative formalities required to provide services abroad.

The organisation of services is a competence that lies at national, regional and local level. The Border Focal Point will make good practices available and provide expert advice on setting up efficient cross border services.

Such good practices include, in the field of transport, the cross border agglomeration of Strasbourg-Kehl on the Franco-German border. A tramline was developed to link the two cities, as well as a common tariff zone for cross border transit only; read more about it here. In the field of health care, an agreement establishing 7 organised cross border health care zones on the Franco-Belgian border was signed between the two countries. It benefitted over 20,000 patients who have received health care closer to their residence in the neighbouring country.

In addition, the Border Focal Point will map existing cross border healthcare facilities and services across the EU and share this study with stakeholders. The Border Focal Point will also map and share a study of missing railway links along EU internal borders. Both studies will be made available by the end of 2018.

Call for innovative projects

By the end of 2017, the Commission will launch a call which will select **up to 20 projects** putting forward innovative solutions to cross border issues. The overall budget of the call is €600,000 from the <u>European Regional Development Fund</u> (ERDF). These innovative projects should be easily replicable in other EU border regions.

The Future of Interreg

Established in 1990, Interreg has become a key instrument for cross border cooperation under the EU cohesion policy. Interreg helps partners on both

sides of a border find joint solutions to common challenges in the field of health, research and education, transport or the use of sustainable resources.

In the funding period 2014-2020, over €6 billion from the ERDF will be invested along European internal borders.

This communication, as well as feedbacks gathered via the Border Focal Point and lessons drawn from the implementation of the selected innovative projects, will fuel the reflection on the next generation of Interreg programmes for the period post 2020.

The communication already sets up a few discussion points:

- Ensuring EU funding is available to tackle institutional, legal or administrative cross border issues
- Introducing the possibility of financing missing transport links or joint public services
- Including institution-building elements in funding programmes and taking into account identified obstacles