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## TECHNICAL PAPER FROM THE CPMR GENERAL SECRETARIAT

# FOR A MORE ACTIVE PARTICIPATION OF THE TERRITORIES IN A NEW NEIGHBOURHOOD POLICY 2014 – 2020

### Why should we be thinking about a new European neighbourhood policy?

1. Because 2010 and 2011 are crucial for the future of the European Neighbourhood Policy (ENP). It is during these years that the content of and subsequently the financial envelope for this community policy for 2014-2020 will be negotiated.
2. Because important changes and developments are having an impact on the European context:
  - from an institutional point of view, firstly, with the ratification and entry into force of the Lisbon Treaty, offering Europe's territorial partners greater recognition via the extension of the subsidiarity principle and the recognition of the necessity for European territorial cohesion.
  - Secondly, from the policy-making point of view, with the launch of the EU 2020 Strategy. This establishes regional authorities as partners in the implementation of the objectives set in order to achieve "smart, sustainable, and inclusive growth". Furthermore, the European Commission's Communication of 3 March 2010 proposes that the EU 2020 Strategy could also become a reference for the neighbourhood countries. Lastly, the question of macro-regions is strongly impacting on the political debate in Europe today and can be seen as a trend towards the territorialisation of European strategies, a process in which the regional authorities must necessarily play a central role.
3. Because of the profound upheavals in the international context, among the most important of which is the current economic crisis. As CPMR has previously underlined, solutions to the crisis will not be found at state and supra-state levels alone. The sub-state levels, which deliver nearly three-quarters of community policies and are a pertinent forum for reflection on policies with a global dimension, must be included. The value added contributed by the territories in policy-making is not restricted to internal European affairs. Regional and local authorities are also beginning to be recognised as relevant actors in the Union's external relations policy. This is reflected for example in the Structured Dialogue organised by the European Commission, which aims to identify the future priorities of the European development policy and which for the first time includes the sub-state authorities.
4. Because the CPMR and its Intermediterranean Commission (IMC) started reflecting as early as 2008 on what the ENP should aim to be, and proposed a **policy of convergence at the borders of the Union**. It is now time to renew and refine these policy proposals, basing our reflection on the work carried out over the last two years<sup>1</sup>.

<sup>1</sup> See in particular:

- A project for post-2013 Europe? CPMR Position adopted by the Political Bureau in Seville in January 2008  
 - A renewed Euro-Mediterranean Partnership for peace, jobs and sustainable development, January 2008, CPMR Inter-Mediterranean Commission  
 - the CPMR technical paper on the ENPI-CBC cross-border cooperation programmes, March 2010.

## Architecture of the current ENP

5. The first reflections on the ENP were launched in 2002 by the Prodi Commission, which had an ambitious vision to create a real **European neighbourhood external relations policy**. On the strength of its success and in awareness of the necessity for an even more ambitious policy, it is now time to take a fresh look at the ENP. We are also at a point where the economic and political challenges facing the European Union extend far beyond its borders.
6. The ENP itself was launched in 2004 and became a fully fledged community policy in 2007 with the creation of the European Neighbourhood and Partnership Instrument (ENPI). This policy, which has a budget of EUR 12 billion, targets the neighbouring countries of the Union. It is seen in particular as a response to the challenges arising from the successive enlargements of the Union in 2004 and 2007, in that it aims to offer neighbouring states renewed prospects for economic integration and political cooperation.
7. The “national action plans” today comprise the main body of the ENP; about five-sixths of the policy’s budget is allocated to bilateral actions. Each plan is negotiated between the European Commission and the partner state concerned, and sets out the priorities for the country’s economic and political reforms. At the present time, a largest share of the ENP is therefore exclusively a community affair, with neither Member States nor regional and local authorities really involved.
8. The ENP’s second strand is concerned with multilateral programmes, aimed at strengthening cooperation between neighbouring countries in a given geographical area. These are comprised of two geographical programmes – one for the Eastern area and one for the Euro-Mediterranean partnership area – and an “interregional” programme, which in reality covers several thematic instruments (TAIEX<sup>2</sup>, SIGMA<sup>3</sup>, CIUDAD<sup>4</sup>, Governance Facility<sup>5</sup>). Altogether, the multilateral strand has a budget of approximately EUR 1.09 billion for the period 2007-2013.
9. Lastly, a small part of the ENP consists of a territorial cooperation strand (ENPI-CBC) which represents 5% of the ENP budget, or EUR 1.18 billion for 15 programmes over the period 2007-2013. This concerns cross-border programmes (terrestrial borders or sea crossings) on the one hand, and “sea basin” programmes (Black Sea, Baltic Sea and Mediterranean) on the other hand.
10. A study carried out by CPMR during the first half of 2010 highlighted various ways in which territorial cooperation contributes to the neighbourhood policy, in particular:
  - it has the capacity to boost economic growth through a domino effect among Regions with different levels of development;
  - it anchors a common culture of cooperation, which is a vector of cohesion, at the borders of the Union;
  - it helps develop – to a certain extent – a strategic approach to projects in the case of the ENPI-CBC “sea basin” programmes. Projects with a strategic scope have been launched under the “Baltic Sea Region” programme and the ENPI MED authorities have indicated their intention to launch a call for strategic projects in 2010 or 2011 at the latest;
  - it highlights the necessity of taking into account the specific characteristics of each cooperation area; adopting the same approach in the Baltic and in the Mediterranean is not feasible.

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<sup>2</sup> TAIEX is a technical assistance and information exchange instrument to assist partner countries in implementing the actions plans.

<sup>3</sup> SIGMA is a programme aimed at supporting improvements to government institutions and administrative management systems. It is a joint European Commission – OECD initiative.

<sup>4</sup> CIUDAD is a capacity-building programme aimed at local government and regional authorities.

<sup>5</sup> The Governance Facility is an annual envelope of EUR 50 million aimed at “rewarding” best practice in neighbourhood countries (two countries are selected each year).

## Proposals for a new architecture for the ENP for 2014-2020

11. The period 2007-2013 will have been, for the ENP, a phase of apprenticeship and of negotiation on the implementation of reform and cooperation programmes. It is now a matter of capitalising on what has been achieved and measuring the potential for improvement so as to design a more ambitious ENP for the period 2014-2020.
12. Coming back to its 2008 proposal for a convergence policy at the Union's borders, CPMR wishes to promote an ENP founded on a system of governance that is both **inclusive** – all levels of public decision-making take part in policy design and delivery – and **integrated** – links are made between the different policies implemented so as to ensure the overall coherence of the project.
13. Practically speaking, this could entail the definition of the ENP's overall guidelines at inter-governmental level by the partner countries, Member States, and the European Commission, giving the ENP a global strategic vision and visibility. These overall guidelines could be revised every three years, which would enable the results obtained to be monitored on a regular basis. The guidelines would have three axes, and would have to take account of the specific characteristics of the territories and the steps taken by the partner countries to make sure the deconcentrated and decentralised political and administrative tiers are more involved.
14. A first axis, through bilateral “**national action plans**”.
  - These would continue to be negotiated between the European Commission and each partner country, so as to ensure that specific situations are taken into account. The plans would be based on the overall guidelines mentioned above but would also be tailored to the specific priorities of each national situation. It would be appropriate to envisage a system for consultation of regional and local authorities at this level.
  - The action plans would also include **two further strands: one sectoral and one territorial**. On this last point, it would appear to be necessary to support the reforms initiated in certain neighbourhood countries towards decentralisation and deconcentration, through twinning programmes in particular. Generally speaking, political reforms should be encouraged as close to the citizen as possible, and not be restricted to the national level alone.
  - Lastly, part of the budget allocated under the bilateral strand should be used to develop strategic reflections on the scale of the sea basins. This would be a voluntary initiative on the part of the partner countries depending on how advanced the reflections are in each sea basin. The projects could be implemented by the partner country's services at either central or deconcentrated level, or by the regional level if the internal governance of the countries allows this and the country wishes it. (See point 17).
15. A second axis, through **multilateral** (inter-governmental) **regional programmes** negotiated between the European Commission, EU States and partner countries in the area concerned. Here again, the involvement of regional and local authorities should be guaranteed or at least promoted. It seems appropriate that the definition of priorities for this “multilateral regional” strand should take account of the political and strategic reflections under way today in the various European border areas: the Baltic, the Black Sea, and the Mediterranean (Baltic Strategy, Northern Dimension, Union for the Mediterranean, Eastern Partnership, Black Sea Synergy). It is fundamental that the overall strategic and policy guidelines that come out of these reflections carried out by the Member States, the partner countries and the Union should guide the definition of the priorities to be implemented in order to achieve what the guidelines aim to achieve.
  - Within this political and institutional “regional framework”, two types of programmes could be implemented. Firstly, a regional programme by “functional space” could be defined. This proposal is based on the fact that programmes for the East and the South already exist and they have proved their pertinence. These usefully encourage interregional cooperation, the strengthening of which is a prerequisite for a balanced and participatory development of the neighbourhood countries. It is linked to the overall reflections cited above. Thus, a programme similar to and in addition to that which exists for the East and the South could be of interest

for the “Baltic” area, including the countries concerned by the Baltic Strategy as well as Russia and Belarus.

- Secondly, a “pool of thematic programmes” such as those that exist today (TAIEX, SIGMA, etc.) but in which the territorial dimension would be more important. The current Governance Facility could be integrated into this “pool” and be strengthened so that instead of being a “bonus” for good governance it would become a real operational tool for building capacities, especially regional and local capacities. It would have additional funding and be accessible to all partner countries. It also seems important to establish the necessary coherence with programmes carried out under the European development policy, especially the NSA-LA programme<sup>6</sup> aimed at cooperation between regional and local authorities.

16. A third axis, through **territorial cooperation** with a budget of up to 10% of the total ENP budget. The distinction between “sea basin” programmes and cross-border programmes would be maintained. This would allow for more flexible governance and rules for the latter, which could in particular boost South-South cooperation under ENPI. As for the sea basin approach, this could be integrated into an operational “macro-region” programme.
17. The main idea behind **macro-regions** is that they should allow a number of the challenges that are specific to certain geographical, economic or cultural sub-groupings to be tackled more successfully. The aim of the macro-regional approach is not, of course, to deny the existence of the European dimension, but rather to strengthen it by recognising the growing diversity among the territories and enabling them to work together at a more pertinent scale. This concept has mostly been explored in the context of European regional policy. However, the neighbourhood countries already take part in a number of community policies and, more significantly, some of them belong to the “functional spaces” referred to above. The reflections on the macro-regions should therefore be taken into account in the future architecture of the ENP. Funding from the ERDF and ENPI (the former “sea basin” programme) would be used under an **operational “macro-regional” programme** aiming to feed into the strategic reflections on each sea basin. The subsequent implementation of these reflections on the ground could be supported by the bilateral ENPI funds, for those countries having chosen to allocate part of their “action plan” budget to a “macro-regional priorities” strand (see point 14).

Generally speaking, the following two points are important:

- The reflection should not be carried out in an isolated manner, in the context of the neighbourhood policy alone, but in relation to and in coherence with the debates and proposals to come on the macro-regions in the context of the future European regional policy.
- the key challenge for the European Regions and the neighbourhood Regions is to affirm their position in the governance of these macro-regions and seize the opportunities that they represent, so as to ensure they are not merely beneficiaries but also actors in this process of policy territorialisation.

18. The question of the **Outermost Regions (OMR)** also merits consideration.
  - o Among the seven Outermost Regions (French Guiana, Guadeloupe, Martinique, Reunion, the Azores, Madeira and the Canaries), the Canaries is the only Region that today has the possibility of taking part in a ENPI CBC programme. This is a cooperation programme with Morocco, the adoption of which is still pending.
  - o The “Wider Neighbourhood” plan proposed by the European Commission in 2004 to tackle the specific challenges facing the Outermost Regions has to date not achieved the integration of these Regions into the ENP. They have the possibility of working with their immediate neighbours in the context of cross-border or transnational cooperation programmes co-financed by the ERDF and the European Development Fund (EDF). This set-up makes the negotiation of partnerships and the implementation of projects more complex – all the more so because non-EU countries may choose to allocate (or not to) part of their envelope to cross-border cooperation. The neighbouring countries of these “external frontiers” of the EU

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<sup>6</sup> NSA-LA: Non-State Actors and Local Authorities programme under the financing instrument for development cooperation

are thus seeing the development of highly imbalanced relations with European territories that are remote as well as being spaces that face multiple challenges in terms of human development.

- The negotiation of Economic Partnership Agreements (EPA) between the ACP countries and the EU, following the Cotonou Agreement (2005) further complicates the situation of the Outermost Regions. They are having to deal with a new framework governing trade relations with their neighbours, but the specific characteristics of their situation are insufficiently taken into account in the negotiation of these agreements.
  - In order to develop the 2004 “Wider Neighbourhood” plan more tangibly – one of its priorities was in fact transnational and cross-border cooperation – and to strengthen the place of the Outermost Regions in community policies, ENPI-type programmes could be envisaged. The main aim would be to simplify cooperation on the basis of a **single financial instrument** and therefore to encourage the development of links between the EU and non-EU territories of the four “Outermost” areas, i.e. the Caribbean, the Amazon Forest, the Atlantic and the Indian Ocean.
  - The Outermost Regions have numerous assets, including the role they play as “laboratories” in several fields such as agronomy or climate change, or as “bridgeheads” for fostering trade relations with the main global regions. In the current context of “trade regionalisation<sup>7</sup>”, it is imperative that these assets be firmly anchored in their regional environment. However, this proposal must take account of the unique challenges of transnational cooperation in the Outermost Regions. It is important to underline that the majority of cooperation initiatives involve Regions and the State. Taking these specific conditions into account, the Outermost Regions could comprise strategic outposts of Europe’s global presence, and contribute to the promotion of a sustainable and shared development at the scale of the territories.
19. Lastly, with regard to funding, it will important to ensure coherence between the European funds (in particular ENPI, ERDF and EDF) and coordination with other sources of funding, international donors, and public and private funding that can be raised in the neighbourhood countries.

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<sup>7</sup> The term “regionalisation” is to be understood here in the sense given used by the World Trade Organization, i.e. a trend towards the intensification of trade between countries that are geographically close, most often made official through agreements establishing free trade areas.

