

EUROREGIONS AS MECHANISMS FOR STRENGTHENING CROSS-BORDER COOPERATION IN THE BALTIC SEA REGION

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Abstract. Euroregions are administrative-territorial structures intended to promote cross-border cooperation between neighbouring local or regional authorities of different countries located along shared state borders. They are widely known tools of cooperation among the regions. Having integrated structures and their own financial resources, euroregions are able to address a variety of cross-border topics such as health, research and development, education and training, waste management, environmental protection, tourism and leisure, rescue and security, transport and communication infrastructure, mobility of people, and business cooperation. This paper explores the main characteristics and problems of euroregions as institutions in the Baltic Sea Region and especially in the regions bordering the Third countries. First, it describes euroregions; then it focuses on their compositions and roles and main issues confronting them with reference to the empirical research carried out among the thirty-five cross-border cooperating organisations. The new legal instrument for euroregions deserves special attention since it provides a basis under public law for decentralised trans-European cooperation between regional and/or local authorities. The article concludes with a discussion of the needs and associated development opportunities available to euroregions within the Baltic Sea Region.

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1. Introduction

Boundaries can connect as well as separate. Both characteristics should be taken into consideration when dealing with trans-frontier cooperation (Böttger 2006). According to Anderson, it is necessary “to analyse how borders function to understand the obstacles to cross-border cooperation, how networks of trust can be established, and how the democratic governance of cooperation might be achieved” (2002). “Territory is an essential element of modern states as it provides a tangible base for the exercise of its functions. Functions of boundaries are

derived from functions of the state” (Knippenberg 1999). Besides the delimitation of state powers within the boundaries towards their citizens and organizations, “a boundary represents most typically a line (or a vertical level) of physical contact between states and ultimately affords opportunities for cooperation and discord” (Paasi 1996). During the last two centuries, especially the last decades, as European nation-states assumed greater responsibilities and functions, boundaries have changed significantly, and they have grown in importance.

In Europe several key terms are used to describe various forms of cross-border cooperation. For instance, ‘transfrontier cooperation’ is a term mainly used in connection with the Council of Europe. According to the Practical Guide to Transfrontier Cooperation, it is “a form of cooperation within cross-border service and employment areas traversed by all kind of flows”. The most distinctive feature of transfrontier cooperative initiatives is the establishment of collaborative undertakings at the local community level between adjacent local public bodies subject to different national legal systems. The so-called Madrid Convention defines transfrontier cooperation as “any concerted action designed to reinforce and foster neighbourly relations between territorial communities or authorities within the jurisdiction of two or more Contracting Parties”. The preamble of Protocol No 2 to the Madrid Outline Convention on Interterritorial cooperation defines transfrontier cooperation as the cooperation with neighbouring authorities and interterritorial cooperation as cooperation with foreign non-neighbouring authorities. Trans-regional cooperation means “cooperation between member states and partner countries, addressing common challenges, intended for their common benefit, and taking place anywhere in the territory of the member states and of partner countries” (Regulation (EC) No 1638/2006). In this paper the term ‘Euroregion’ and ‘cross-border cooperation (hereinafter CBC) structure/organisation’ is used synonymously to denote an area of cooperation of local and regional authorities situated directly at the border or close to it and collaborating in different sectors (See Fig. 1).

Common identity, proximity, or mutual interests are common bases for cross-border cooperation (Boman and Berg, 2007). The idea for CBC organisations was first raised by the Council of Europe. However, the name ‘euroregion’ originated with the still-existing CBC region ‘Euregio’ (Germany – The Netherlands), and it gradually became a general term defining a form of CBC throughout Europe. In Europe various organisational structures have characteristics of a CBC. Many of their names derive from the terms ‘region’ or ‘Euroregion’: ‘euregio’ (Helsinki-Tallinn Euregio), ‘euroregio’ (Inn-Salzbach-Euroregio), ‘euroregion’ (Niemen Euroregion), ‘regio’ (Regio Egrensis), ‘council’ (Kvarken Council), ‘conference’ (Lake Constance Conference), ‘working community’ (Working Community of Western Alps), ‘committee’ (Öresund Committee) or similar terminology. The term ‘regio’ comes from the Latin *rege*, meaning to draw a line or border. In ancient Rome the ‘regio’ was used for demarcating an area rather than governing it. It did not correspond to any legislative or governmental institution (CoE, 2005). The term ‘euroregion’ refers mostly to institutionalized cross-border cooperation applied to

a joint or twin-region of at least two different countries sharing a border. Yet, the existence of institutionalized cooperation does not imply the existence of a euroregion *per se*. Some regions which share a border have very close cooperation on various matters similar to euroregions without possessing a special institution to promote cross-border relations and activities. Sometimes regions possess an institution for managing cross-border activities, yet little significant cross-border interaction occurs.

Generally speaking the cross-border structures are arrangements for cooperation between units of local or regional government across the border of two different countries in order to promote common interests and enhance the living standards of the border populations within the limits of the geographical scope of cooperation. Historically, the euroregions were instituted in order to overcome unnatural barriers between regions and ethnic groups which 'naturally' belonged together. They evolved from commonplace activities like everyday cross-border commuting among people who shared common economic, social or cultural characteristics. Inhabitants of border areas often want cooperation as a means of overcoming the problems they face and improving their living conditions. Hence the likelihood that euroregions can function at different levels of development relatively successfully. Their role has always been to integrate and harmonize regional relationships. Cooperation usually starts with people to people exchanges and with the help of cultural programmes. Having organizational structures and their own financial resources, euroregions are able to address a larger variety of cross-border topics like health, research and development, education and training, waste management, environmental protection, tourism and leisure, rescue and security, transport and communication infrastructure, mobility of people, and business cooperation (see Fig. 1).

This article studies the main characteristics and problems of euroregions as institutions in the Baltic Sea region and especially in the regions bordering the Third countries. It aims to explore the challenges confronting the leaders involved in the activities of euroregions. First, it conceptualizes euroregions while focusing on the various compositions, roles, forms, legal and financial issues. Second, the article discusses the new legal instrument for euroregions which can partly solve the problems that euroregions encounter. The empirical part of this article focuses on thirty-five cross-border cooperation organisations. A questionnaire was used to help to identify the most crucial issues and problems facing euroregions. Additional evidence was gathered from secondary materials as well as policy documents of European Union institutions, the Council of Europe and cross-border organisations. Documentation included legal documents, regulations, agreements, strategy papers, and reviews produced by different national and international institutions; official statistics; conference and workshop materials; articles in the local and international press; government programmes, and Internet data. Based on research findings, the article concludes by presenting the development opportunities for the Baltic area's euroregions.

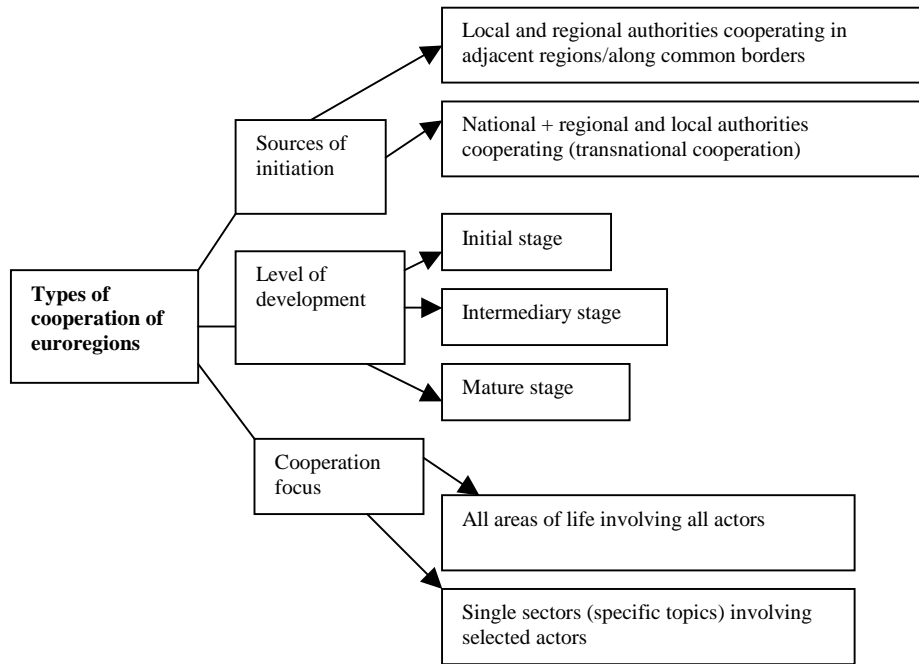


Figure 1. Types of cooperation of euroregions.

2. Legal framework of euroregions

In his study of 2003, Markus Perkmann wrote that “in more than seventy cases, municipalities and regional authorities cooperate with their counterparts across the border in more or less formalized organisational arrangements” (Perkmann, 2003). Currently there are thirty-eight border regions as defined by NUTS 2 (European Commission). However, the Association of European Border Regions (hereinafter AEBR) has a list of one hundred and sixty-eight euroregions and similar structures. Anderson observes that the EU could be viewed as causal factor, notably through the diminishing importance of borders and growing regional representation at the supranational level and in the Interreg programme (Anderson, 1997). However, various scholars disagree whether the European Union should be considered a driving force behind the emergence and spread of euroregions across Europe. According to European Parliament’s report, the EU’s impact is often overestimated because it tends to obscure the fact that cross-border cooperation is driven from the bottom up. The regions have a long history of signing cooperation agreements. The first euroregion was created in 1958 around the Dutch area of Enschede and the German area of Gronau. “Other bilateral and multilateral interstate agreements such as the German-Dutch Treaty signed on 23 May 1991 and the agreement of Karlsruhe on transfrontier cooperation between territorial authorities and local public bodies signed on 23 January 1996 have created frameworks for more

sophisticated forms of transfrontier cooperation, notably on the basis of public law” (CoE, 2005). Between 1975 and 1985, a number of working communities were set up between regions in different states. The Karlsruhe Agreement was signed between the Government of the French Republic, the Government of the Federal Republic of Germany, the Government of the Grand Duchy of Luxembourg, and the Swiss Federal Council acting on behalf of the cantons of Solothurn, Basel-town, Basel-county, Aargau and Jura with limited scope to act.

In terms of legal status, the euroregions vary. They may involve a community of interest without legal personality, a European Economic Interest Grouping, a non-profit-making association, or a working community without a legal personality or a public body. Euroregions and other structures for cross-border cooperation do not create a new type of government at the cross-border level. They do not have political powers, and their work is limited to the competencies of the local and regional authorities that constitute them. Different CBC structures will have to adopt their needs and strategic goals to existing legal possibilities provided by EU legislation, the legal framework of the Council of Europe, bilateral agreements, and national legislation.

AEBR’s White Book on European Border regions points out that cross-border cooperation is a policy framework task for the European Union which must be implemented at the regional/local level in partnership with the national bodies: “There is a need to make progress towards elaborating a more uniform and comprehensive typology of European border and cross-border regions that integrates – in a balanced way – the various dimensions characterising the actual cross-border cooperation reality”. Both the Council of Europe and EU institutions have been working on recommendations and legal documentation concerning the legal status of euroregions for years. The European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (ETS No. 106) was opened for signature by the member States of the Council of Europe, held in Madrid, on 21 May 1980. It became effective on 22 December 1981. Thirty-three states ratified it and another three signed it. The so-called Madrid Convention was the first step towards cross-border cooperation structures based on public law. “The Outline Convention includes twelve articles. To allow for variations in the legal and constitutional systems in the Council of Europe’s member States, the Convention sets out a range of model agreements to enable both local and regional authorities as well as states to place transfrontier cooperation in the context best suited to their needs” (CoE 2006). It provides a legal framework for completing bi- and multinational agreements for cross-border cooperation among regions. The decisions put forward are binding only on the public authorities within the cross-border area concerned. The countries ratifying the Outline Convention agree to foster and facilitate transfrontier cooperation by removing obstacles, and they „grant to authorities engaging in international cooperation the facilities they would enjoy in a purely national context“ (CoE, 2005).

Article 10 of the European Charter of Local Self-Government envisions the right of local governments to “belong to an international association” (paragraph

2) and “under such conditions as may be provided for by the law, to co-operate with their counterparts in other States (paragraph 3)”. The Additional Protocol to the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (ETS No. 159) was opened for signature by states which signed the Outline Convention in Strasbourg on 9 November 1995 and entered into force on 1 December 1998. It has been ratified by fifteen states and signed by a further seven. The Second Protocol to the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities concerning interterritorial cooperation (ETS No. 169) was opened for signature on 5 May 1998. Twelve states ratified it, and seven more signed it. It entered into force on 1 December 2001. According to the Second Protocol, the territorial communities or authorities have the right to engage in interterritorial (territorial communities or authorities of two or more contracting parties) activities and to conclude interterritorial agreements in accordance with the procedures laid down in their statutes, in conformity with national law and insofar as such agreements are in keeping with the contracting parties’ international commitments.

The main barriers to joint cross-border cooperation are the different administrative and territorial structures and legal systems, which influence the level of activities and the management of projects and programmes. These influences also affect the management of joint EU programmes. The Council of Europe has drafted a legal instrument in the form of a third protocol to the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities on the establishment of European cooperation groupings. The present version of the legal statute under proposal has been drawn up so as to apply to every draft euroregion constitution of II Council of Europe member states. It was drafted to serve as a model for a possible European Union regulation to introduce a framework for transfrontier, transnational or inter-territorial cooperation between local and regional authorities (CoE 2004). The idea behind the third protocol is that it would obviate the need for countries to adopt their own national legislations or amendments.

3. Problematizing the Baltic Euroregional Network

In 2006, a study was conducted among thirty-five cross-border organisations in the Baltic Sea Region. The selection of the organisations was based on the membership of the Baltic Euroregional Network (BEN), which was formed in 2005 at the Baltic Sea Region Interreg IIIB. The project had a steering group made up of representatives from all the partners, which approved at its steering group meeting the mandate of six persons to work on the Baltic euroregional strategy. The aim was that the composition of the strategy group had to reflect representatives of all the stakeholder groups represented in the BEN project in order to be able to encompass the experience and interests of all the stakeholders in the region. The following stakeholder-groups were represented:

- Lead partner
- Secretariat of a euroregion from the Nordic, Baltic countries or Russia/Belarus;
- Local or regional authority from the Nordic, Baltic countries or Russia/Belarus;
- NGO from the Nordic, Baltic countries or Russia/Belarus.

Additionally, the composition of the group had to reflect the geographical scope of the BEN partnership so that at least one representative from the Nordic countries, one from the Baltic countries and one from Russia/Belarus had to be in the group. The composition also had to reflect gender balance as much as possible. Hence, in consequence the working group was comprised of representatives of the following organisations: the Zemgale Development Agency, the Öresund Committee, the Vyborg municipality, the Association of Municipalities of the Republic of Karelia, the Nordic Council of Ministers Office in Lithuania, and the Helsinki-Tallinn Euregio. The working group consisted of four men and two women.

The group's initial task was to develop a strategy for cross-border cooperation in the Baltic Sea region and to develop an agenda of topics and activities to be part of the BEN project. The document had to give direction to the BEN partners and its stakeholders on how to proceed with future cooperation. However, as the project commenced, obstacles surfaced due to differences among the regions and cooperating parties. So the group had to find a common ground first. This part of the work constitutes the core of the present article. In order to carry out the preliminary study, the group developed a questionnaire. The aim was to find a catalogue of the main characteristics of euroregions, to identify main impediments to cross-border cooperation, and to receive ideas for addressing problems. The author of this article was the chair of the working group, compiling background information; participating in the development of the questionnaire, and drawing provisional conclusions. Based on the group's meetings and discussions, a list was completed which described the main challenges for CBC structures. The list was distributed to the representatives/managers of the participating institutions. It included the following statements:

1. Euroregions have various roles.
2. Membership and partnership in euroregions varies.
3. Euroregions represent platforms for all three elements of triple helix cooperation.
4. There is no single solution for the legal status of euroregions.
5. Financing of euroregions varies.
6. The role of euroregions regarding EU CBC programs varies.
7. Euroregions are important supplements to international relations.
8. Euroregions have an important role in the spatial development of the Baltic Sea Region.
9. There is a constant need for a dialogue between euroregions and national governments.

10. There is a need for consultations between euroregions and international organizations.

The respondents received these statements in written form and were asked to respond and freely comment on them. The answers were analysed, generalisations made and conclusions drawn. The next sections of the article analyse the respondents' views.

3.1. Characteristics of euroregions

A number of roles for euroregions were suggested including acting as facilitators, catalysts, network builders, process initiators, platforms, framers of common agendas and strategies; and acting as venues for holding people to people meetings and events. Questionnaires revealed that roles and functions varied depending on the specific needs and conditions of the cross-border region, the development stage of cross-border cooperation, and the national context. Some euroregions consist only of local and regional authorities; others include, for example, NGOs, universities, and chambers of commerce. Differences of membership in euroregions influenced for better or worse the purposes and functionality of the CBC structures.

'Triple helix cooperation' is a term used to denote cooperation among three societal sectors: the public sector, the business community, and the educational establishment at the regional, national and multinational levels. The economic context in which these several sectors operate is now analysed in terms of university-government-industry relations. "There are four dimensions to the development of the triple helix model: first, internal transformation within each of the helices; second, the influence of one helix upon another; third, creation of a new overlay of institutional structures from the interaction among the three helices; and fourth, a recursive effect of these entities, both on the spirals from which they emerge and on the larger society" (Etzkowitz, 1998). In terms of 'triple helix cooperation', euroregions as territorial units practice various models of cooperation within the public sector, within the private sector and between these two sectors, aiming at joint strategies and policies as well as greater involvement of all relevant stakeholders. More advanced euroregions can function as platforms of cooperation based on the 'triple helix' model. Research revealed that most but not all euroregions have adopted the 'triple helix' principle. Some CBC's especially in euroregions with non-EU member countries have not embraced the model to the same extent.

The legal status among euroregions varies depending on geography, politics, and ambition. Although a few respondents preferred a legal determination of the role of local authorities within euroregions, support for a 'common concept' was limited, reflecting the multiplicity of juridical and financing structures among existing euroregions. Euroregions are funded from different sources: funds-generating programs or projects; the EU; national, regional, or local entities, and private individuals or agencies. Regarding EU-sponsored programs, roles also varied. Although some euroregions engage in program management, most participate as project applicants.

Some national governments prefer to manage EU programs themselves rather than assign responsibility to a euroregion, and some euroregions prefer not to manage programs or micro-funds themselves. CBCs' financial and personnel resources often set limits on the roles they can assume. In many instances euroregions recognize their limitations and elect to adopt roles within them.

Significantly, none of the euroregions on the Russian border agrees with the statement that "euroregions constitute an important supplement to foreign policies at people to people level". On the Russian border the euroregions are still instruments of policy of governments which vest power in one to two leaders. In some cases official international relations priorities are so general that they do not respond to the specific needs of the population of border regions. National institutions might be afraid that euroregions are somehow implicating foreign policy. But a euroregion cannot have a different foreign policy from the home countries of its members.

3.2. Problems of euroregions

According to the respondents, the main obstacles to the success of euroregions are the following: insufficient support and trust from national institutions; inability to recruit and retain qualified staff; limited organizational capacity; lack of authority, insufficient funding, and not enough international cooperation. The 'triple helix' model also proved difficult to implement due to problems associated with role definition and articulation among the parties. In several cases universities and businesses did not exhibit a high degree of interest in the activities of their euroregions. Some euroregions feared that admission of new partners like universities or chambers of commerce in an officially registered euroregion would complicate the efficient discharge of the main functions such as management, election of officers, collection of fees, and projects and activities. They feared that formalities might then supplant action at the grass roots level.

Various opinions on legal standing were expressed. A commonly held view was that more discussion is needed at the local level about the legal status of a euroregion. If a euroregion is not an independent legal person, financing can become more difficult. In addition, when the legal status of cooperating parties is incommensurate, the ideal balance characteristic of partnerships can be disturbed. For example, to be eligible for an EU grant, a euroregion must be a registered legal body. If it contains members lacking legal standing, the legally recognized members must apply on behalf of all the partners, creating a potential inequity in their relationship. On the positive side, some respondents saw advantages to different kinds of legal status, which they believed helped achieve common initiatives through synergy.

Based on the responses, financing was one of the most crucial and important problems of every CBC structure regardless of legal status. Collectively the partners are responsible for seeking and sustaining financial support for running the office and supporting the executive body. Euroregions' main source of support is project-based EU programmes and funds. Often grant funds must be reimbursed

afterwards, however, making the financing of a permanent staff and office difficult and in many cases impossible. The absence of stable funding limits the ability to make commitments on a long-term basis, which in turn diminishes the likelihood for receiving a grant or loan. Euroregions, especially NGOs, need stable funding in order to cover operational costs. As a consequence, too few euroregions participate actively in multinational projects, focusing instead on the management of EU programmes.

The question concerning the role of euroregions in improving cross-border mobility and accessibility in the Baltic Sea Region was subject to interpretation. Some respondents understood it as a long-term regional development made in consultation with national governments. Others interpreted the question more narrowly, taking it to refer to cooperation across a border region. The dominant problem for the regions bordering Russia was securing visas, which are either too expensive or not permissive. Solving the problem often required national governments to intervene because they control public services across borders.

Presently the CBCs are trapped within a recursive and self-perpetuating cycle leading from low credibility to low status among major decision-makers and then back again to low credibility. Although euroregions have significant accomplishments to their credit, their story has not been well publicized so that their importance in addressing national needs is insufficiently known or understood. In consequence, they participate in their national governments from a position of weakness. Although they can be effective instruments for tackling problems of national importance, especially at the regional level, their capabilities are not understood enough for them to have earned a distinctive niche within their national hierarchies. The majority of the respondents expressed concerns about recognition and leverage with international, transnational, and Pan-Baltic organizations as well as with EU institutions and national authorities. Discussion with these organizations should centre on issues that the CBCs have an ability to manage effectively.

3.3. Possible solutions to the problems of euroregions

The following solutions were suggested: establishment of functions and responsibilities enshrined in law; allocation of state funds to support cross-border cooperation; adoption of strategies for the general promotion of euroregions; clarification of the 'triple helix' concept; developing a marketing plan for publicizing the value-added of regional cooperation; and inviting businesses, chambers of commerce, and university representatives to euroregion events in order to raise interest. Suggestions regarding financing included lobbying governments for earmarked funding through state budgets, through international cooperation organizations, and through regional/local governing bodies. In order to provide a sustainable and working mechanism, all partners need to make their financial contributions on a regular and planned basis. In order to receive funding to the local/regional budgets, activities of euroregions should be highlighted and visualised, so that lobbying for recognisable conceptual projects in national bodies becomes much easier.

The legal status of a CBC affects its eligibility for funding. Potential for conflicts of interest needs to be minimized. Euroregions also need to determine priorities and identify their specific roles as programme managers or as project partners. The issues of cross-border mobility and accessibility also need to be resolved. The respondents felt that the position of the euroregions needs to be strengthened within their national countries. CBCs need to stay in constant and systematic dialogue with national governments and direct discussions towards concrete policy implementation measures that improve living standards in border territories. People to people contact happens anyway through projects and seminars. However, when relations between neighbouring countries become strained, local and regional level can increase in value. Cooperation on the grass-root level can be a force in sustaining long-term relations.

The majority of the respondents thought that the international, transnational, and Pan-Baltic organizations, as well as the EU, in cooperation with national authorities, should consult with euroregions on issues relevant for CBCs. The solutions proposed by euroregions included taking self-initiative in various fields and not only consulting with various levels of governance but forming a working network of organisations for the purpose of information exchange on various policies.

4. A new legal instrument for euroregions

Although respondents believed that the differences in the legal status of the euroregions impeded cooperative projects and application for EU funds, they did not take a single legal solution for all euroregions as the only possibility. At the time when the questionnaire was distributed, the EU regulation on the European Grouping of Territorial Cooperation (EGTC) had not been adopted. The instrument was approved in 2006 on the basis of an initial proposal by the European Commission in 2004. The regulation sprang from the difficulties that regional and local authorities experienced as they endeavoured to implement territorial cooperation within the framework of differing national laws and procedures. The main purpose of the Commission's proposal was "to reduce the obstacles and difficulties encountered in managing actions of cross-border, transnational or interregional cooperation within the framework of differing national laws and procedures" (EP 2006). This initiative was followed up and strengthened by the European Parliament and the Committee of the Regions.

Viktor von Malchus, a researcher of AEBR, has noted that "numerous conventions, treaties, agreements and protocols at bilateral and trilateral level, which include national and/or regional or local authorities, often contain declarations of goodwill on friendly neighbourly cooperation, partnerships and more. They also allow for recommendations to be made, but do not confer decision-making powers on cross-border structures. The strategic, long-term cross-border cooperation at regional and/or local level has largely been rooted in private law". He also argues

that „cooperation under public law is easier to achieve at project level/.../”. “There are no forms of cooperation based on public law in the domain of interregional and transnational cooperation”. Olivier Kramersch (2002) has advanced similar arguments in his article on one of the oldest institutionalised euroregions, the Euregio Maas-Rhein, which acquired the juridical status of a foundation in 1991 under the terms of Dutch private law as Stichting Euregio Maas-Rhein. He argues that the weakness of the euroregion is that “fiscal and social security issues remain a matter for policy making at the member state level.” “The Stichting is legally proscribed from intervening in matters related to spatial planning and the regulation of local labour markets.” He concludes that the transformation from a private to a public entity resulted in “greater decision-making flexibility within the Stichting and improved its democratic accountability with the cross-border community at large” (Kramersch 2002). The new legal instrument provides a basis in public law for decentralised trans-European cooperation between regional and/or local authorities on the basis of public (EU) law for all forms of cooperation (cross-border, interregional and transnational) whether strategic or operational and regardless of topic or form.

The territory of the EU has been subject to EGTC regulation since August 1, 2007. So far only thirteen member states have adopted the EGTC’s national legislation. Only three EGTCs have been established to date: the first one between France and Belgium involving the cities of Lille, Tournai and Kortrijk; the second between Hungary and Slovakia in the region of Ister-Granum; and the third between Spain and Portugal on the border of Galicia and Norte. After establishing a general basis for cooperation, the regulation allows the EGTC members the flexibility to reach agreement on particulars in accordance with domestic law. In effect, the EGTC supplements rather than replaces the existing instruments. Designed to have legal personality, it has the capacity to act for and on behalf of its members, and it can place contracts, employ personnel and acquire movable and immovable property. As a legal entity governed by public law, it can act on behalf of its members in matters such as governance, public service, and public facilities. The EGTCs’ regulations provide for the controlling law to be the statutes of the member state where the EGTC has its registered office. In addition, the EGTC seeks to comply with the national law of its members. The purposes of the EGTCs are to promote cross-border and transnational and interregional cooperation and to make the euroregions’ management of cooperative projects easier.

An EGTC can also include among its members partners’ non-EU member states. In this case “at least two members from two EU member states must participate in the EGTC. The registered office of the EGTC, which determines the applicable legal system under which the EGTC will operate, must be located in one of the EU member states by whose law at least one of the members of the EGTC is governed” (MOT 2008). Nevertheless, the EGTC remains under the control of national governments since the establishment of an EGTC depends on authorisation by each member state concerned.

The wider application of the EGTC tool in Europe would address several obstacles to institutionalised cooperation of euroregions (heterogeneity, legal personality and legal jurisdiction). However, it could also create new problems or resurface old ones in a new form. Due to imbalances among partnering communities, issues regarding implementation might arise; vagueness regarding supervision due to different public administration systems in the countries might result in ineffectiveness, and ambiguities about legal authority and jurisdiction might persist since the EGTC must choose the legislation of one of the member countries in which it is registered. Despite these issues, EGTCs could favourably influence the overall legal landscape of euroregions in the future.

5. Discussion on development opportunities for euroregions

Euroregions are challenged by the constant changes and reforms they have to undertake in order to become stronger in terms of structures, membership, and financing. They are part of a developing system at both the micro or macro levels. To maximize the benefits of improvements as they occur, they need to be informed and adaptable. An information network among euroregions, national institutions and the European Commission would be beneficial. Presently, without such a support system, many euroregions lack the experience, resources, and status to take full advantage of new developments.

The research data made abundantly clear that the most crucial problem confronting euroregions is the absence of funding and the co-financing of projects. Financial instability prevents the formation of joint structures. Without common resources including permanent staff, the euroregions are forced to focus their energy on strategies for long-term cooperation and on individual projects which can be implemented using volunteers or temporary staff. Yet with absent adequate staffing, they are often incapable of managing programmes, including European programmes. Technical, administrative, financial and decision-making instruments are vital for lasting cross-border cooperation activities. Euroregions should actively work on fundraising using all possible financial sources available at the moment. At the same time, long-term financial schemes (loans, preferably at low interest rates) as well as advanced payment schemes should be worked out on the national level with financing institutions, banks, and the private sector. The degree of involvement of the ministries in the work and funding of euroregions also needs to be more clearly defined. To avert excessive influence on the part of member nations, euroregions should not rely on national funding as their basic revenue source. Instead national resources should be allocated to support particular projects. The best solution is assessing euroregion membership fees for funding for increasing organizational capacity and management. Micro-funds could be created within the framework of cross-border cooperation programs, and they should be monitored or analyzed through SWOT within the context of programs managed by euroregions.

Euroregions can to a large extent help to overcome the legal, administrative and financial barriers and disparities that hamper the progress of the border regions. They can prepare joint studies and improve mutual understanding. They can also facilitate more open labour markets, enhancing economic development and job creation. Euroregions should inform the national government of their successes and point out the benefits of the CBCs' operations on their service regions or countries. Stronger contacts with academic and research institutions would help euroregions perform their functions when their own institutional capacity is insufficient. Regarding membership, an overview and assessment of the main types of membership/partnership structures might prove helpful. The involvement of 'triple helix' partners from both sides of the border is important for achieving common goals.

Euroregions could also play a more prominent role in the overall development of the Baltic Sea Region if they took part in analyzing the needs and in writing and implementing international projects. As multinational institutions, euroregions possess unique knowledge about cross-border cooperation on the local and regional level. Today the euroregions are not only interacting within the circle of their immediate membership but they are also active vis-à-vis central governments and EU institutions. They are well informed about the local needs and problems of border territories, especially those with a cross-border character, and they are bearers of a longstanding tradition of cross-border cooperation on the grass roots level. Although this knowledge and experience is invaluable, it has been insufficiently used as a resource for responding to issues within the Baltic Sea Region.

By implementing 'triple helix' projects and fostering networks, wider audiences can be addressed. If euroregions could secure greater involvement from the university and business sectors, the public would acquire a better understanding of the meaning and activities of cross-border organizations. But the business sector in particular will not be motivated to involvement in the practical work of euroregions unless it first believes that euroregions can serve their interests. Euroregions need to make a conscious effort to develop programmes that promote business success, making their value-added evident. Then the needed support of the business community can be expected to follow.

Euroregions can serve as platforms for strategic cooperation regarding issues of spatial planning. As part of the 'triple helix', universities should investigate joint development strategies for bordering territories and regions within the framework of legislation that guarantees complementarity among participating nations and regions. National governments should include a CBC in their regional development plans, and they should involve euroregions in the development of cross-border infrastructure and in spatial planning commissions. They should then try to foster competency at the regional/municipal level, and after issues of local infrastructure are solved, entrust the euroregions to find solutions responsive to local and regional needs.

Friendly visa policies need to be adopted to permit non-EU members of a euroregion to travel across borders with minimal inconvenience and cost.

Experiences with Nordic CBC partners in issues concerning the model of mobility and accessibility to services across the borders could be exchanged. The national institutions should inform the euroregions on the new legislation that is being prepared concerning CBCs and include the representatives of euroregions in the decision-making bodies of the national institutions. Having a national coordinator in national institutions would be an advantage. Regarding the legal status of euroregions, on the EU level the new model of EGTCs needs to be promoted among the stakeholders at different levels of governance.

6. Conclusions

Euroregions are administrative-territorial structures intended to promote cross-border cooperation between neighbouring local or regional authorities of different countries located along shared state borders (either land or maritime borderlines). They are widely known mechanisms of cooperation between regions. The empirical study discussed in this report examined euroregions in the Baltic Sea Region and especially in those bordering non-EU member states. It examined characteristics of euroregions and various problems they face. Euroregions differ with regard to organizational setups, legal forms, membership, roles and financing. These factors influence their ability to conduct everyday activities of cross-border cooperation. The most severe problems pertain to the lack and stability of financial resources, which leads to understaffing, insufficient capacity and the inability to participate effectively in cooperative problem solving. Lack of dialogue with the national institutions as well as EU-level institutions also militated against effectiveness. Euroregions are often excluded from decision-making bodies within the central government, and they are not always kept informed through regular systems of communication, limiting their ability to contribute fully to national success.

The respondents agreed with seven out of ten statements presented to them. As to the statements concerning the wider international arena, respondents believed that those areas are already too far from the everyday activities of a euroregion. Because respondents interpreted the statement on spatial development differently, they cited a wider range of opportunities for regional intervention than anticipated. Regarding suggestions for solving the main problems, respondents thought that a mix of political representatives (local, regional, national and European) was crucial for successful cross-border cooperation. Various initiatives were suggested including coordinated cooperation among different institutions, demonstration of the benefit of euroregions, and establishment of direct contacts with universities and the business sector. A need for various financing schemes mainly from the national sources was recommended.

As to the new legal instrument of the European Grouping of Territorial Cooperation (EGTC), respondents thought it would simplify the management of cross-border cooperation projects among countries with differing legal systems

and laws. They also believed that the possibility for an EGTC to enter into agreements with private sector entities would improve cooperation among the public and private sector and academia.

In conclusion, regions should be seen as continuous spheres of common interest despite borders and national allegiance. For the model of territorial cooperation to succeed, discussions in diverse forums throughout Europe are recommended with the future development of euroregions as the main topic. Future research directions could include investigating whether the existence of a CBC institution in the region results in a higher degree of integration in a region and among local or regional authorities representing the member countries. Another main research topic could be documenting whether euroregions are cost effective organizations for contributing to the achievement of local and regional goals and aspirations and whether euroregions could also be effective instruments of beneficial effects through national and international cooperation.

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Annex 1. Partners of the BEN project

1. Nordic Council of Ministers Office in Lithuania – Lead Partner;
2. Council of the Baltic Sea States (CBSS) Secretariat, represents 11 BSR countries, office in Sweden;
3. Nordic Council of Ministers' Office in Estonia (EE);
4. Nordic Council of Ministers Office in Latvia (LV);
5. Hiiumaa County Government, representing B7 (EE/DE /DK/FIN/SE), office in Estonia;
6. Peipsi Center for Transboundary Cooperation (EE);
7. Helsinki-Tallinn Euregio (EE/FIN), office in Estonia;
8. Euregio Pskov, Livonia (LV/EE/RUS), office in Latvia;
9. Association of Polish Communes Euroregion Baltic (PL/SE/DK/LT/RUS), office in Poland;
10. Euroregion Country of Lakes office of Directorate in Latvia (LV);
11. Euroregion Country of Lakes Lithuanian Directorate (LT);
12. Valga County Government (EE);
13. Zemgale Planning Region Administration, representing Euroregion Saule (LT/LV/RUS), Office in Latvia;
14. Tauragė County Government, representing Euroregion Saule (LT/LV/RUS), office in Lithuania;
15. Public institution “Šiauliai Region Development Agency”, representing Euroregion Saule (LT/LV/RUS), office in Lithuania;
16. Nemunas Euroregion Marijampole Bureau (LT);
17. Lappeenranta municipality (FIN);
18. Charity and Support Fund Šešepė Euroregion Šakiai Office (LT);
19. Öresund Committee (DK/SE), Office in Denmark;
20. CBC Gränskommittén (NO/SE), office in Sweden;
21. The Ministry of the Interior of the Republic of Lithuania (Regional policy department) (LT);
22. North Calotte Council (FIN/NO/SE), office in Finland;
23. The Association of Polish Municipalities in the Pomerania Euroregion (PL);
24. The Kvarken Council (FIN/SE), office in Finland;
25. ARKO (NO/SE), office in Sweden;
26. The Nordic Council of Ministers Information Office in Saint-Petersburg (RUS);
27. NGO Tchudskoj project (RUS);
28. Municipality “Vyborg region of Leningrad oblast” (RUS);
29. Euroregion Country of Lakes Office of Belarusian Directorate (BY);
30. Association on cross-border cooperation “Euroregion Pskov – Livonia, Pskov Section” (RUS);
31. Association of Municipalities of the Republic of Karelia (RUS);
32. Sovietsk municipality, representing Euroregion Saule (LT/LV/RUS), office in Russia;
33. Russian secretariat of Euroregion Sesupe, Krasnoznamenok (RUS);
34. Kaliningrad Regional Duma (DK/LT/PL/RUS/SE), office in Russia;
35. NGO Nadruva, representing Euroregion Neman (BY/LT/PL/RUS), office in Russia

Annex 2. Map of the partners of the BEN project



Source: Nordic Council of Ministers Office in Lithuania