

Opinion of the European Committee of the Regions — People-to-people and small-scale projects in cross-border cooperation programmes

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I. GENERAL COMMENTS

1. More than one third of EU citizens live and work in Europe's border regions. Those borders have a direct and indirect impact on their lives. Cross-border cooperation (CBC) has proved to be the most effective tool for overcoming the barrier effect and the dividing role of borders, integrating border areas and increasing the quality of life for border regions' citizens.
2. European Territorial Cooperation plays an important role in removing border obstacles and fostering CBC. In the period 2014-2020, more than EUR 10 billion will be invested in cooperation between regions, of which around EUR 6,6 billion will go to cross-border regions.
3. The Interreg A projects have achieved many tangible outcomes for many European citizens in very diverse territories all over the EU. An important and successful tool in CBC programmes ⁽¹⁾ are people-to-people and small-scale projects, designed to foster the convergence of bordering regions and initiating grassroots contact among people.
4. People-to-people (P2P) and small-scale projects can be defined by their size, duration and content. Small-scale projects are usually smaller in size than regular big projects (e.g. maximum size of EUR 100 000 ⁽²⁾). They can also have a limited duration and their main focus is to finance initiatives in many different areas of CBC with a local impact, in order to support the main thematic objectives of EU programmes (including trust-building, creating favourable framework conditions and a bottom-up approach and initiating new partnerships). People-to-people projects are small-scale projects focusing primarily on promoting contacts and interaction between people on different sides of the border. These usually have a smaller budget and also a limited duration. The activities of the project happen in smaller geographic areas (commonly at Euroregional level) and their approaches are commonly place-based.
5. People-to-people (P2P) projects and small-scale projects are carried out in a wide range of fields such as culture (e.g. learning the neighbouring language), sport, tourism, education and vocational training, economy, science, environmental protection and ecology, healthcare, transport and small infrastructure (cross-border gaps), administrative cooperation, promotional activities, etc.
6. P2P and small-scale projects are accessible to a wide range of beneficiaries: municipalities, NGOs (numerous types of associations, platforms, networks, foundations, churches, etc.), educational institutions (schools, vocational training centres and universities), research and business-support institutions, among others.
7. These projects have been supported by several generations of CBC programmes. In the current period, P2P and small-scale projects in 19 CBC programmes (approximately in one third of them) are mainly being supported through a Small Project Fund (SPF) or similar instrument (sometimes called micro-projects, disposition fund, or framework project to support small projects/initiatives). These SPFs usually take the form of an 'umbrella project' under which several smaller sub-projects are implemented.
8. In general, the funding has been rather low — from 1,5 % up to 20 % of the allocation of the programmes (lower in the old EU, while in the new Member States and along the 'old' external borders the demand has been much higher).

⁽¹⁾ It is noted that similar cross-border initiatives exist also outside of CBC programmes (e.g. at French borders between the Pyrénées-Orientales department/Generalitat de Catalunya, etc.), which may also provide valuable input.

⁽²⁾ Size of projects for which omnibus regulation suggests simplified cost procedures.

9. Independent studies dealing with CBC and all Interreg evaluations ⁽³⁾ to date confirm that in Interreg A programmes the best qualitative results are not achieved primarily through flagship projects, but, rather, success is determined by the variety of different genuinely cross-border projects addressing region-specific needs while directly involving citizens, local authorities and civil society organisations. Quite often the management of these Interreg A programmes (sub-programmes) is decentralised. From the beginning of Interreg (1990), the programmes with the best evaluation results have often been those managed in a decentralised way, many of them including support to P2P projects and small-scale projects.

10. Despite their positive impact, these projects face some major difficulties. They are not anchored in the regulations, and bigger projects are often preferred by managing authorities as being more cost-effective (the higher administration cost of P2P projects) and having a measurable impact. It is also difficult to link the soft effects of such projects to indicators related to the EU2020 strategy focusing on jobs and growth (lack of methodology and suitable evaluation indicators).

11. The main objective of this opinion is to provide an evidence-based list of the benefits and added value of such projects and their decentralised implementation through Euroregions and similar structures such as EGTCs; to provide recommendations for their further simplification; and, ultimately, to put forward specific proposals for future CBC programmes, thus contributing to the debate on the future of cohesion policy post-2020.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

Added value and benefits of people-to-people and small-scale projects

12. considers that P2P and small-scale projects in general have a great European added value and contribute considerably to the overall objective of CBC programmes by means of overcoming border obstacles and integrating border areas and their citizens. The following specific benefits of such projects should be underlined:

- Helping to develop larger projects and substantially supporting effective cooperation within the whole CBC programme by:
 - improving the necessary professional and intercultural skills of beneficiaries and building capacities at local and regional level,
 - covering the areas of legal and administrative cooperation,
 - providing room for experimentation — small-scale projects are great instruments to test innovative ideas and tools in CBC, and
 - serving as 'incubators for bigger projects' — contributing to greater quality in big projects through prior testing in small projects.
- Learning about the culture of neighbouring areas. Promoting intercultural skills among the citizens of border regions.
- Promote the ability of people to study, work and do business across borders.
- Facilitating communication between people. These projects often help overcome the language barrier by stimulating language learning.
- Developing interpersonal contacts and building up partnerships. Many cross-border partnerships (also of smaller organisations) are initiated and then developed into long-term cooperation by P2P and small-scale projects.
- Mobilisation of wider civil society and even encouragement of a cross-border civil society as an important contribution to territorial cohesion.
- Exchange of experiences. These projects create a great platform for sharing experiences and best practices between all CBC players from civil society to local and regional authorities.

⁽³⁾ For instance: DG for internal policies: Territorial Governance and Cohesion Policy, European Parliament, Brussels, 2015; Panteia and partners, Ex-Post Evaluation of Interreg III 2000-2006, European Commission, 2010.

- Addressing local problems. Finding local solutions. P2P and small-scale projects help implement common visions. Many problems can be solved only through cooperation at local level.
- Dealing with topics of everyday relevance (e.g. ensuring better public services) and apolitical approach to forming people's own present and future.
- Building trust. There is a lack of trust in Europe today. These tangible P2P projects are a great instrument in restoring trust across borders and in Europe. They constitute an investment for the future.
- Removal of stereotypes and prejudices caused by the sometimes-difficult history of border areas or even present developments. CBC and especially people-to-people projects help heal the 'scars' produced by borders. They advertise the principle of tolerance and respect. They can play a significant role in reconciliation along the problematic borders in the Western Balkans and in the countries of the Eastern Partnership.
- Promoting the European idea. It is in the cross-border interactions of people and in working together with your neighbours where the benefit of European integration is felt. These projects supported by the EU can help regenerate enthusiasm about Europe;

Advantages of decentralised management

13. sees nevertheless advantages for increased partnerships where the size of the eligible territory is bigger, however is aware of the possible negative impact: it is harder for the programmes to reflect the specific needs of different parts of a large territory. There is a tendency to support larger projects and this support becomes less accessible for local/regional players;

14. suggests that decentralised management of such programmes, for example through promotion of sub-programmes and also enabling the financing of small-scale and P2P projects, is the best solution to this trend that would keep the programmes closer to the citizens;

15. points out the advantages of Small Project Funds (or similar instruments funding P2P and small-scale projects) being managed in a decentralised way:

- Developing projects instead of just administering projects. Decentralised management is conducive to: working with potential applicants on the ground and helping the projects to succeed, connecting partners across borders, developing project ideas, helping convert these ideas into actual project applications, monitoring the projects, focusing on prevention and helping correct mistakes, etc.
- Closeness to applicants. This is especially important for smaller municipalities, civil society, non-profit organisations, etc.
- Accessibility of funding. For such smaller projects it is easier to secure co-financing and pre-financing. Application procedures are often simpler than for big projects.
- Flexibility. This instrument is suitable for addressing specific local issues that could be changing;

16. is aware that this approach may result in comparably higher administration costs. It should be stressed that, in addition to the usual project administration, many other activities take place (e.g. raising awareness, advice for preparation, implementation and accounting). Without this decentralised care and bottom-up approach such projects are difficult to realise;

Role of Euroregions and similar cross-border structures

17. notes that the advantages of decentralised implementation of P2P and small-scale projects are best achieved through the involvement of Euroregions and similar cross-border structures⁽⁴⁾. They could also have the legal form of an EGTC, which are very suitable for such a role;

⁽⁴⁾ The importance of Euroregions in developing CBC was stressed in the European Parliament resolution on the role of 'Euroregions' in the development of regional policy (2004/2257(INI)).

18. recommends that, in order to ensure successful implementation, these structures should have considerable experience in CBC at local and regional level. They should be:

- permanent,
- cross-border ⁽⁵⁾,
- of a public nature ⁽⁶⁾: composed mainly by local and regional authorities,
- focusing on cross-border cooperation as their main objective, and
- experienced with EU programmes and projects;

Simplification as a prerequisite for successful implementation of small projects

19. emphasises that in order to preserve the added value of P2P and small-scale projects and their decentralised management, these projects and procedures must be very simple;

20. points out that the position of the CoR was expressed in its opinion on *Simplification of ESIF from the perspective of local and regional authorities* ⁽⁷⁾. Recommendations regarding CBC such as removal of ETC from the area of application of State aid rules, or a more flexible approach in applying the thematic objectives of EU2020, are even more relevant for P2P and small-scale projects;

21. states that simpler procedures have to be proportionate to the sums concerned, both for the management of these projects (administration, financial management, control mechanisms, etc.), and for the target groups (reduction of administrative burdens, target-oriented advance information, application of once-only principle ⁽⁸⁾). These simpler procedures must be applied in all phases of the project cycle;

22. recommends that during control, monitoring and audit, it is necessary to focus more on the content and the results and not merely on the processes;

23. appeals to all shared management levels to enable and to use suitable simplified cost options as the main approach regarding P2P and small-scale projects. Despite the necessary control of public funding, the CoR calls for the use of the once-only principle, lump sums, flat rates and simplified statements of costs (e.g. standardised unit costs) to be promoted as regards accounting for these projects;

Communication of the results — evaluation of Small Project Funds

24. believes that in the light of the current situation in the EU (growing nationalism, UK withdrawal from the EU, migration crisis, economic and monetary difficulties) there is clearly an increasingly strong need to communicate the specific benefits and added value of EU action. Cross-border cooperation and especially the P2P and small-scale projects are among the most tangible examples of such specific benefits and added value in the everyday life of citizens. Here EU funds have clear positive effects in the real life, prospects and perceptions of EU citizens;

25. suggests that efforts should be made by all players to increase the visibility of the results and benefits of such projects — not so much in the border regions where they are obvious but at the national (Member States) and European levels (EU institutions) that make decisions about cohesion policy. This opinion, together with a brochure containing specific project examples, aims to contribute to these efforts. Communication of these results may also be facilitated by European Cooperation Day;

26. recognises the need to implement a specific methodology to evaluate Small Project Funds (and similar instruments) supporting P2P and small-scale projects. Given the 'soft' nature of P2P projects, it is clear that standard outcome indicators are not suitable for such evaluation (e.g. for measuring the level of trust or overcoming prejudices). Here it is suggested that just the fact that cross-border cooperation between citizens and institutions of border regions takes place is a positive result

⁽⁵⁾ De facto not always *de jure*.

⁽⁶⁾ According to the Public Procurement Directive, not necessarily founded under public law.

⁽⁷⁾ COR-2016-00008-00-00-AC-TRA.

⁽⁸⁾ Additional legal systems involved, because of simultaneous application of European, national and regional regulations, creates confusion.

in itself (similar to the growing number of students studying abroad thanks to the Erasmus programme). The number of participating citizens and cooperating partners should be sufficient. Small-scale projects shall contribute to the indicators of the given investment priority but also with these projects that are not purely P2P, the aspect of cooperating partners and number of persons actively involved in the CBC should be considered, as it builds the capacity of such partners to further develop such cooperation in the future. It extends the scope of EU-driven operations with a place-based approach and focused on the citizens, who become committed players to build up more Europe on the ground. Very often, the professional and intercultural skills acquired by members of the cross-border project teams are more valuable than the result of the project as such (small-scale investment);

Recommendations for future CBC programmes post-2020

27. recommends that people-to-people projects and small-scale projects be anchored in the regulations governing EU support for cross-border cooperation as a legitimate instrument in CBC programmes and calls on the Commission to make the necessary provisions in the proposal for the next generation of regulations;

28. also recommends that people-to-people and small-scale projects be encouraged by the Commission to be part of the CBC programmes, especially where there is the demand for such projects at local and regional level. Sufficient allocations should be secured to satisfy this bottom-up demand. Special attention should be paid to the borders that will be affected by UK withdrawal from the EU ⁽⁹⁾ where solutions for continuing cooperation with UK local and regional authorities and other partners should be found;

29. points out that the full benefits of such projects can be achieved through decentralised management either through Small Project Funds, or any similar instrument or directly by steering committees on the ground. It is essential that each border region is free to use its existing instruments and procedures that have proved effective for many years, ensuring the continuity of such funding with the overall objective to keep the programmes closer to the citizens;

30. recommends that Euroregions or similar structures and EGTCs should be the framework to guarantee the decentralised implementation of P2P and small-scale projects, ensuring their continuity and taking into account the already existing roles of such structures (e.g. 'umbrella project' recipients) that have proved useful. In border areas where these structures are not present, their creation should be encouraged or other suitable solutions should be found respecting as much as possible the principles stated above;

31. emphasises that in order to preserve the added value and benefits of people-to-people and small-scale projects, they and their management must be kept as simple as possible. More emphasis should be placed on content than on procedures, and simplified cost options should be preferred;

32. points out that P2P often bring together partners in public or semi-public services, they alleviate the effect of differences in regulation and financing between organisations in different Member States. However, beyond temporary project funding, successful P2P projects should be able to be continued by structural funding. More effort should be made in the next programming period to feed experiences at the border to national legislators. Member States should be engaged in a border-compact to reduce border effects resulting from national regulation and financing;

33. calls on the Member States, the Commission and the European Parliament to take these specific recommendations into account and include all necessary rules to implement them when preparing legislative proposals for the next generation of CBC programmes, setting up these programmes and during their successful implementation. This will ensure that the benefits of European integration are felt strongly among the citizens of Europe's border regions.

Brussels, 12 July 2017.

*The President
of the European Committee of the Regions*
Markku MARKKULA

⁽⁹⁾ Notably between Ireland and Northern Ireland but also between France and England.