

Border Orientation Paper

Germany-Czech Republic



1. INTRODUCTION

This document sets out key characteristics of the cross-border region between Germany and the Czech Republic and outlines options and orientations for the programming of the next Interreg programme along that border. It is part of a series of similar papers prepared by DG REGIO for all EU land borders (and borders with Norway and Switzerland).

The objective of this paper is to serve as a basis for a constructive dialogue both within each cross-border region and with the European Commission for the 2021-2027 Interreg cross-border cooperation programme Germany – Czech Republic.

The paper is based for a large part on objective information stemming from three studies commissioned by DG REGIO:

- “Border needs study” (“Collecting solid evidence to assess the needs to be addressed by Interreg cross-border cooperation programmes”) conducted in 2016;
- “Easing legal and administrative obstacles in EU border regions” conducted in 2015-16 and;
- “Comprehensive analysis of the existing cross-border transport connections and missing links on the internal EU borders” conducted in 2017-18.

In addition, many data sources available at European level were also used to describe certain aspects socio-economic and territorial development. A full list of information sources is provided in annex.

Cross-border cooperation is much broader than Interreg programmes. The objective is to facilitate cross-border cooperation by reducing remaining persisting obstacles to cross-border activities and linkages as outlined in the 2017 Communication on Boosting Growth and Cohesion in EU Border Regions. The instruments available are not only the funds (in particular Interreg and other European Structural and Investment Funds (ESIF) programmes which may invest in cooperation), but also European and national legal instruments (European Grouping for Territorial Cooperation (EGTC), regional agreements (e.g. in the Benelux and the Nordic countries), bi-lateral agreements, etc.) as well as a number of policies e.g. on labour mobility, transport, health, etc. The Interreg programmes should therefore not only aim to fund projects but should also seek to reduce cross-border obstacles. To do so, the legislative proposal on Interreg foresees that part of the budget is dedicated to cross-border governance (including capacity building and contribution to the macro-regional/sea-basin strategies).

That is why this paper goes beyond the traditional activities of Interreg programmes (funding projects) and also covers governance issues (reducing cross-border obstacles). On this, the roles of the programmes are: (a) to initiate the work on the obstacles (e.g. the members of the Monitoring Committee could contact the relevant public authorities and stakeholders); (b) to facilitate the work (by funding working groups as well as possible studies and pilot projects); and (c) to contribute to this work (providing input from the wide knowledge gained in past programming periods). Whilst the budget is limited, the impact can be important as the actions concerned will have a limited cost (meetings, studies, pilot projects, etc.) but structural effects.

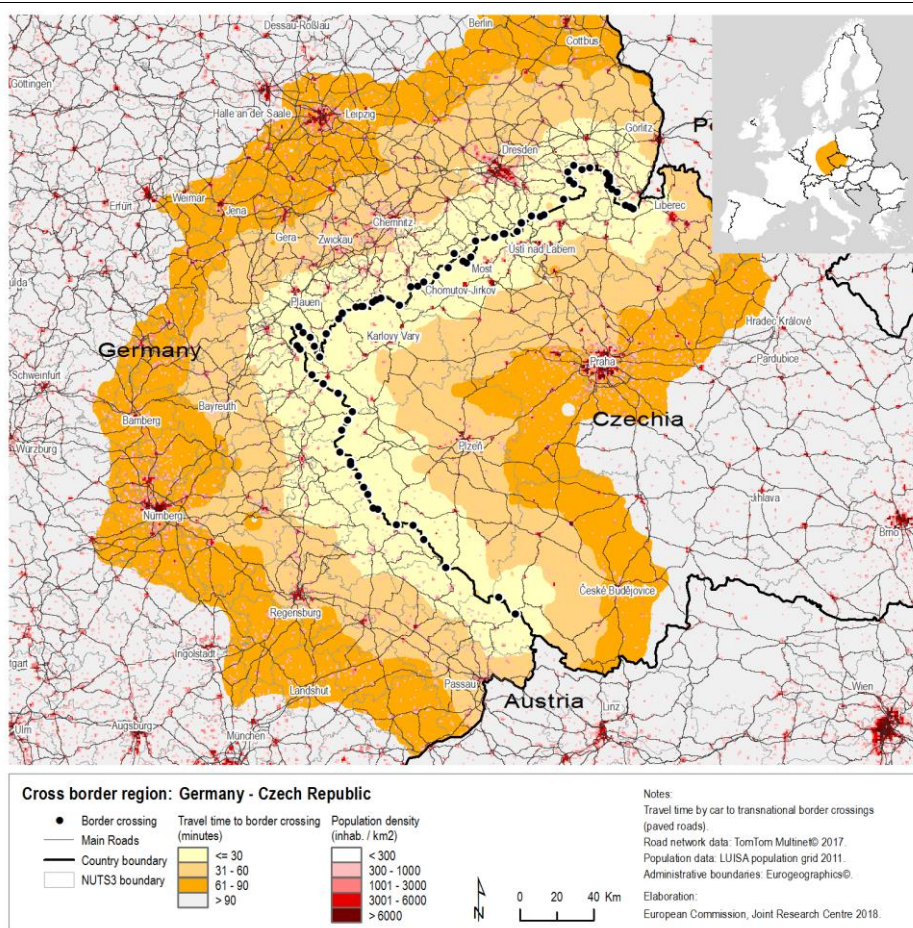
2. ANALYSIS OF THE BORDER AREA

- The Germany-Czech Republic cross-border programmes incorporate cooperation between EU Member States (Germany, Czech Republic) at internal EU borders. There are two programmes at the border 2014-2020, the Bavaria-Czech Republic and the Saxony-Czech Republic programmes which cover following regions: Germany – Bundesländer Bayern (Bavaria) and Sachsen (Saxony); Czech Republic – Regions of Liberec and Ústí nad Labem, Karlovy Vary, Plzeň and Jihočeský kraj (South Bohemia).
- There is a political border asymmetry between Germany and the Czech Republic. Whereas the Czech Republic is a centralised country with the government having national legislative responsibilities in all areas, Germany is decentralised with the federal states (Bundesländer) having quite significant political powers.

Type of territory

- The Germany-Czech Republic border is the longest external border of the Czech Republic and the second-longest external border of Germany. It has a total length of over 811 km.
- The German-Czech border begins in the northeast with the tripoint formed by its intersection with the German-Polish and Czech-Polish borders, located on the river Neisse. The border runs alongside the ridgeline of the Erzgebirge up to the village of Mittelhammer in Bavaria. The border then turns to the southeast and passes through the forests of the Oberpfalz and Bohemia to the tripoint with the German-Austrian and Austro-Czech borders at the edge of the Šumava National Park. Several rivers cross the German-Czech border or form parts of it.¹
- In the Bavaria-Czech Republic cross-border area on the German side there are several smaller cities including Regensburg, Bayreuth and Passau. On the Czech side of the border Karlovy Vary, Plzeň and České Budějovice are the largest cities. In the Saxony-Czech Republic cross-border area the largest city in the German regions is Dresden (also by far the largest city in the cross-border area with a population above 500,000), with a commuting zone reaching the border. On the Czech side there are a series of smaller cities, Ústí nad Labem, Teplice, Most, Chomutov and Karlovy Vary which mostly have overlapping commuting zones.
- The travel time to the border is important to establish which types of cooperation are possible (e.g. as a citizen you might consider working across the border every day if the border is 30 minutes away (but not if it is 90 minutes) or going to a hospital occasionally even if it is 90 minutes away). For the German – Czech border, the situation is as follows:

¹ Chamb (Czech: Kouba), Pfreimd, Wondreb (Czech: Odrava), Ohře (German: Eger), Regnitz, Weisse Elster (Czech: Bílý Halštrov), Natzschung (Czech: Načetinský potok), Floha (Czech: Flájský potok), Wilde Weißeritz (Czech: Divoká Bystrice), Müglitz (Czech: Mohelnice), Biela, Elbe (Czech: Labe), Spree (Czech: Spréva), Mandau (Czech: Mandava), Lausitzer Neiße (Czech: Lužická Nisa)



- The findings highlighted in the driving time map above should be considered in the preparation of the future cross-border development strategies.

Demography

- The total population of the border area, based on NUTS 3 level regions, is appr. 8.7 million: 3.7 million on the border Bavaria-Czech Republic and 4.6 on the border Saxony-Czech Republic (5.2 million on the German side and 3.1 million on the Czech side).
- Population density in the Bavaria-Czech Republic cross-border area is close to the EU average in Niederbayern and Oberpfalz and slightly higher than the EU average in Oberfranken. Apart from cities such as Regensburg, Bayreuth and Hof the regions are generally not densely populated. On the Czech side of the border, all three eligible NUTS 3 regions have population densities below the EU average.
- In the Saxony-Czech Republic cross-border area Dresden and Chemnitz have population densities around twice the EU average with some very high density NUTS 3 regions such as kreisfreie Stadt Dresden and kreisfreie Stadt Chemnitz. On the Czech side of the border at the NUTS 3 level Karlovarský kraj's population density is below the EU average, while Ústecký kraj and Severovýchod have population densities slightly above the EU average. Between Dresden and Prague, the development of a cross-border settlement and transport corridor is emerging.²

² See BMVI: Raumbewachung Deutschland und angrenzende Regionen - Räumliche Strukturen und Verflechtungen", MORO Praxis Heft 11, 2017, S. 28.

- There are high divergences in the population change on the German-Czech border. While the population of the Saxon-Czech border on the German side decreases and is slightly growing on the Czech side, the population figures at the Bavarian-Czech border on the German side are relatively stable (increased net migration 2016-2017) and decreasing on the CZ-side.³

Socio-economic disparities

- In terms of socio-economic disparities as an obstacle (based on GDP per capita) the Border Needs Study identified that there are more obstacles along the Germany-Czech Republic border than the EU average. In this context it should also be noted that where there are socio-economic disparities this can operate both as an obstacle and also as an opportunity.
- The economic performance of Germany and Czech Republic differs significantly. In 2016, Germany had 38,100 € and the Czech Republic 16,700 € GDP per capita. The economic strength is unevenly distributed. Structurally weaker regions in national context are mainly located in the border area (<50 km) between Germany and the Czech Republic (in Czech Republic 11.400 € and in Germany 26.200 € GDP per capita). There are marked differences in GDP per capita in PPS, in particular between Saxony, Bavaria and the region of Karlovy Vary.⁴
- A comparison of Germany with its neighbours reveals huge differences in pricing and purchasing power (price level in Germany is 104 % of the EU average, in the Czech Republic 66 %, (Eurostat 2017). The differences in per capita income are particularly noticeable. For example, the disposable income per capita in the Czech Republic is 10.000 PPS for around 18.000 PPS in Eastern Germany and around 20.000 PPS in Southern Germany along its border with Czech Republic.

Languages, cultural differences

- The two sides of the border use different languages – German and Czech. In terms of whether language differences are considered as a problem for cross-border cooperation the EU average is 57%. The Eurobarometer survey found that:
 - In the Bavaria-Czech Republic border area 79% of the population of the cross-border area see this as a problem, with 81% of Germans and 76% of Czechs believing this to be an issue.
 - In the Saxony-Czech Republic cross-border area 78% of people see language as an obstacle to cooperation, with language differences to be an issue for 85% of Germans and 71% of Czechs.
- In terms of whether cultural differences are perceived as a problem for cross-border cooperation, the Eurobarometer survey assessed the relevance of cultural obstacles. The survey found the following:
 - In the Bavaria-Czech Republic border area on average 38% of the population see cultural differences as an obstacle to cross-border cooperation. The EU average value for cultural obstacles is 32%. The survey found that there are asymmetries in perceptions, with 33% of Germans living in the border area identifying this as an issue, compared to 42% of Czechs.

³ See BMVI: Raumbeobachtung Deutschland und angrenzende Regionen (...), S. 45.

⁴ See BMVI: Raumbeobachtung Deutschland und angrenzende Regionen, S. 58 ff.

- In the Saxony-Czech Republic border area 36% of the population see cultural differences as an obstacle to cooperation; 35% on the German side and 37% on the Czech side.

Existing cross-border cooperation

- Over the last years, interplay between Czech and German initiatives has intensified, particularly the direct contact without diversions through parliament or government. The cooperation is decentralized, de-politicized and has become more independent of state hierarchies. Cooperation in the “Euregions” in particular, which transcend the borders of the Czech Republic, Saxony and Bavaria, is excellent.⁵
- Since the early 1990s, many cross-border cooperation structures have emerged, such as the Euroregions Neisse (DE, CZ, PL, established in 1991), Elbe-Labe (DE, CZ, established in 1992), Erzgebirge/Krušnohoří (DE, CZ, established in 1992), Egrensis (DE, CZ, established in 1993) and Bayerischer Wald-Böhmerwald-Unterer Inn (DE, AT, CZ, established in 1994 and enlarged in 2004). In addition, the Euroregion Donau-Moldau (DE, AT, CZ) was launched in 2011.
- As indicated at the beginning of the chapter, the German-Czech border is covered by two 2014-2020 cross-border cooperation programmes with distinct features and priorities:
 - The objective of the Saxon-Czech programme is to promote sustainable development and economic competitiveness of the border region through an integrated cross-border approach. The development of social frameworks (including infrastructure improvements and development of small project funds), the development of the economy and tourism as well as cooperation in the field of the environment are among its priorities. At the same time, it provides assistance to develop and implement cross-border education schemes and to increase youth employability.
 - The Bavarian-Czech priorities of the programme are cooperation in the fields of innovation, economic development, human resources, environment and networks. Investments by the programme aim to bring about improved accessibility and the development of tourism potential, as well as the strengthening of trust between the two countries through projects between inhabitants.
- One **EGTC** can be found in the cross-border area: **Eisenbahnneubaustrecke Dresden-Prag**, which was established in 2016 with the aim to improve the railway link between Dresden and Prague. The cross-border railway line between Dresden and Prague along the river Elbe is one of the most serious bottlenecks in the European core network corridor Orient/East-Med.

⁵ See also Hubert Gehring / Tomislav Delinić / Andrea Zeller: Proven Partnerships with Development Potential - Germany's relations with the Czech Republic and Slovakia, 2010

3. TERRITORIAL DIMENSION

- *Functional areas*

1. The cross-border regions are not strictly limited to the administrative borders of the programme but have a flexible geography depending on the topic concerned. This is a functional area.
2. For some topics, the solution can be optimised if partners outside the programme area are involved (e.g. to have a good research project, you may need to involve a university which is in the capital of the country; to reduce the risks of floods project, you may need to reintroduce wetlands or dams upstream of a river but outside the programme area; to facilitate cross-border health care/ service you may have to develop a project with neighbouring regions and with national authorities; to establish cross-border rail links you may have to involve national train companies, ministries, etc. and to connect with other lines further away, etc.).
3. For some other topics, the solution is purely local, corresponding to an area much smaller than the programme (e.g. to have a cross-border tram line in an urban area which is on both sides of a border; to establish green infrastructures to preserve biodiversity along a river).
4. This shows that the problem-solving should be based on functional areas rather than on the administrative scale defining the programme area (which is only used to define ERDF allocations). What matters is that the projects benefit the cross-border area. The location of the project or the location of the partners does not matter.
5. The ex-post evaluation of 2007-2013 Cohesion Policy programmes highlighted the limited attention that had been paid to the notion of a functional region or area when identifying the border regions to support. This is essential when considering the potential benefits of cross-border cooperation. There are obvious difficulties in defining functional areas in practice, but attempting the exercise would at least focus attention on the aspects, which are relevant for development of the cross-border area concerned.
6. This is a new approach in the post-2020 regulations and has three main benefits: (1) It enables the projects to be more effective as they can build on the experience of a wider range of relevant partners and as they can be located where the impact is bigger; (2) It clearly shows that Interreg is a policy tool supporting projects to improve the situation and not a mere funding tool for the benefit of local authorities sharing a budget; and (3) It avoids that programmes re-create new borders outside the programme geography.
7. The German-Czech border area is situated between the central European and the western European regions and the Munich metropolitan region. The aim is to increase the focus on the different potentials present in this interaction area, such as profiling the region as a technology and industrial region, the use of collaborative approaches in the research and education landscape, as well as the environmental potential, the cultural heritage features and the many recreational and spa resorts of the region. Competitiveness and stronger integration of the border area should be supported by appropriate policy priorities for spatial development and regional management and marketing.

8. The Saxon-Czech region forms part of the broader interaction area, which has economic and environmental ties with the agglomerations of Szczecin, Krakow, Katowice, Poznan, Wroclaw, Bratislava, the metropolitan region of central Germany (including the cities Leipzig-Halle, Dresden and Chemnitz-Zwickau) and the metropolitan region of Nuremberg. The cities of Brno/Brno and Ostrava/Ostrava in the Czech Republic also belong to this broader interaction area⁶.

- ***Macro-regional strategies***

29. The Bavarian-Czech cross-border region is part of the Danube macro-regional strategy. This macro-regional strategy is supported at the highest political level by the EU (Council of the European Union and Commission), national level and regional level. They have become an integral part of EU regional policy. A lot of resources and energy have been invested to generate useful common actions for the entire macro-region. For these actions to be realised funding instruments should be ready to finance some of these actions. This concerns also the cross-border programmes which can then benefit from a good project pipeline (with a political support) from a bigger impact and from increased visibility.
30. Those projects that could contribute to the Danube strategy should be promoted so that they can be replicated (and have a greater impact on a wider area of the macro-region).

- ***Tourism and cultural heritage***

31. The tourism and culture sector has a great potential for cross-border cooperation with the many places of interest in the German-Czech border area and the attractive nature and landscape areas (see analysis in chapter 5). Tourism and cultural opportunities encourage cross-border contact and people to meet. They attract visitors and thus strengthen the economic development of the overall area.
32. The following thematic areas are covered by the potential and associated challenges:⁷
 - There is a variety of cultural and natural tourism opportunities on both sides of the border (e.g. world heritage sites, parks, spa tourism, winter tourism) which have the potential to cooperate in terms of supply and marketing. The increase in visitor arrivals in recent years shows the overall positive tourism development of the Bavarian-Czech and Saxon-Czech border area. The overall positive trend should be pursued through targeted innovative measures to strengthen cross-regional and international awareness of the whole area.
 - Tourism marketing in the border area is characterised by a large number of initiatives. They range from marketing in municipalities and towns through Landkreise, Krasje and Regierungsbezirke to several administrative districts of major tourism regions. Uniform tourist marketing incl. large cross-border events of the cross-border areas could significantly increase the attractiveness of the region.

⁶ See Annedore Bergfeld (Hrsg.) Sächsisch-Tschechische Grenzraumstudie: Zusammenfassende Analyse und Entwicklungsstrategie, Leibnitz-Institut Leipzig, 2013

⁷ See Entwicklungsgutachten für den bayerisch-tschechischen Grenzraum, 2015

33. It could be envisaged to (further) develop a vision / strategy for the individual sub-regions at the border and to support their implementation. A special role in this process could play the Euroregions to support the development of spatial and regional planning approaches.

ORIENTATIONS:

- *Inter-communal cooperation in the narrower border area should be further developed. This cooperation should include preparation and implementation of the cross-border strategic development concepts and the establishment of corresponding operational structures. The development of urban and village development plans may therefore be an opportunity for the cooperation of direct border communities to contribute to territorial and structural improvement for the municipalities concerned, as well as for their environment.*
- *Projects that could contribute to the Danube strategy should be promoted so that they can be replicated (and have a greater impact on a wider area of the macro-region).*
- *Attraction of large-scale international cross-border events (e.g. International Garden Exhibition, an annually changing cultural city) and other tourism projects with the focus on the sustainable long term effects for the region could be envisaged. Priority should be given to the development of innovative cultural and touristic concepts, offers and actions.*
- *Consider the establishment of Integrated Territorial Investments (ITI) or Community Led Local Developments (CLLD) covering sub-regions (e.g. Euroregions) having potential for implementing an integrated cross-border development strategy.*

4. GROWTH, COMPETITIVENESS AND CONNECTIVITY

34. The huge economic interlinkages between Germany and the Czech Republic show that there are joint interests. In fact, the economic relations between both countries are excellent. In 2017, trade between Germany and the Czech Republic has been around EUR 40 to 50 billion, at times more than Germany makes trading with Japan or Latin America. Germany is largest and most important trading partner of the Czech Republic.⁸ The German-Czech Chamber of Commerce sees considerably more potential. Nevertheless, it is likely to be difficult to find new investors from Germany due to the shortage of specially trained staff in the Czech Republic.⁹

• *Research, Development and Innovation*

35. Collaboration between the two countries is based on the agreement on Scientific and Technological Cooperation that was originally concluded on 2 November 1990 between the governments of the Federal Republic of Germany and the Czech and Slovak Federative Republic. In addition, a bilateral agreement on cultural cooperation has been in place since 30 September 1999. Furthermore, since 23 November 2007 an agreement has been in place between the two governments on the mutual recognition of the equivalence of diplomas in higher education. The Strategic Dialogue between Germany and the Czech Republic signed in July 2015 forms the current basis for the cooperation. Both countries are interested in better networking between research and business to maintain competitiveness.

36. The closest cooperation in common strengths, as presented in the Innovation Union Progress Report (IUPR) 2013 is primarily to be found in the following areas: environmental research, active agent research and mobility. Close cooperation also exists in the areas of health and production technologies. In addition, Germany and the Czech Republic cooperate closely in the sub-areas of strategically important Key Enabling Technologies (KET).¹⁰ Germany is the Czech Republic's closest partner in basic research and studies¹¹.

37. The situation in the border regions differs from the national average.

38. As regards the R&D intensity (measuring R&D expenditure as a percentage of GDP, at NUTS 2 level) the regions along the border perform as follows:

- On Bavarian side, Oberpfalz is leading with R&D rate of 2.5 % of GDP followed by Oberfranken with 1.6 % and Niederbayern with 1 %. On the Czech side, there are also large regional differences: in the district of Pilsen there is a quote of 1.7 %, which is similar to the Bavarian regions besides the urban centers or comparable to Niederbayern. Comparable to that is also Jihozápad with 1.1 %, whereas the R&D

⁸ In the Czech Republic, exports to Germany accounted for 32.1 % of the total value of all exports (highest share of all neighbouring countries in terms of exports). In terms of imports, the proportion of machinery and transport equipment was high, inter alia due to the automotive industry there. (Source: Worldbank, 2017).

⁹ Hubert Gehring / Tomislav Delinić / Andrea Zeller: Proven Partnerships with Development Potential - Germany's relations with the Czech Republic and Slovakia, 2010

¹⁰ Source BMBF

¹¹ In 2016 and 2017, Czech scientists co-authored 3,918 articles with Germans, which is even more than with Americans (3,862 studies), Brits (2,913) and the French (2,690) (Source: Czech-invest.com).

rate in Karlovy vary amounts only to 0,2 %. The main reason for that could be mainly the absence of R&D institutions and institutions of higher education. The district of South Bohemian is in between with about 1.1 % R&D expenditures. In general, the R&D activities follow the national and regional innovation strategies.¹²

- In the Saxony-Czech Republic border area R&D expenditure is above 3% in Dresden and between 1-2% in Chemnitz. On the Czech side of the border R&D expenditure is 1-2% in Severovýchod and <0.5% in Severozápad.

39. In the Bavaria-Czech Republic border area the shares of human resources employed in science and technology (measured as a percentage of the economically active population) are around 40% in Bavarian regions and around 30 % in the Czech regions; these shares are all below the EU average of 46%.¹³

40. In the Saxony-Czech Republic border area the shares of human resources employed in science and technology in Dresden and Chemnitz are around 48% and 41%. The share in Severozápad is around 29% and in Severovýchod 35%. These are significantly lower than the EU average and lower than the values in the German border regions.¹⁴

41. Regarding the patent applications of the regions, the number of international patent applications in some of the German regions in the Bavarian area (particularly in Oberpfalz) are impressively high, while on average the German regions perform close to the EU average in the Saxony area. However, on the Czech side of the border performance is rather low. The border regions on the Czech side are classified as 'less competitive' in this regard.

Technology transfer and networks

42. Academia and business are the most significant research and innovation players in the Bavarian-Czech area. With a share of around 60 % of R&D expenditure, the enterprises in the programme area make an above-average contribution, both in the national (Czech Republic) and in the European context. However, only the larger companies have the best access to R&D results and innovations through cooperation with universities and other research institutions or their own R&D departments.

43. Access to R&D is more difficult for SMEs that form the majority of businesses in the border area. In addition, in the German-Czech border area only a small number of large companies exist that could act as catalysts for research, development and innovation. The successful development of SMEs will depend, in particular, on the existence of appropriate support structures, such as sectoral networks, clusters and technology transfer offices.

44. In the Bavarian border area, such facilities are sufficient and available in all regions. In the Czech part, on the other hand, there are hardly any research and technology transfer facilities outside Plzeň and České Budějovice. Support structures for technology transfer exist on both sides of the border and are also well connected on a bilateral level, but settled cross-border network structures between universities and R&D institutions as well

¹² See BMVI: Raumbeobachtung Deutschland und angrenzende Regionen (...).

¹³ Eurostat, 2017

¹⁴ Eurostat, 2017

as between research institutions and SMEs are missing. The future funding should focus on projects linking SMEs and R&D institutions.

45. In the Saxony-Czech Republic cross-border area Dresden is categorised as a city with modest participation in economic and research networks, while in the Bavaria-Czech Republic area Regensburg and Pilsen are categorised as having low participation in economic and research networks.¹⁵
46. The innovation potential on the German-Czech border have been analysed in several studies, a. o. INPOK – Innovationspotenzial als Faktor zur Erhöhung der Konkurrenzfähigkeit des sächsisch-böhmischen Grenzraums“ co-financed by Interreg 2007-2013¹⁶. Several research and innovation cooperation / network projects have been implemented within the 2014-2020 Interreg programmes at the German-Czech border. The demand for co-financing of this type of projects has increased over the last years for projects with the participation of regional actors as well as R&D institutions outside of the programme area.¹⁷
47. The Czech Republic and Germany, as neighbouring countries with similar industrial structures and closely connected trade, can cooperate very well, for example in the field of industry 4.0 ("smart factory").¹⁸ There is also a lot of cooperation potential in the practical training of professionals. However, a disadvantage for enhanced cooperation in the education sector is that the training systems on the both sides of the border are not compatible.¹⁹

- ***Digitisation***

48. Concerning digitisation in business and commerce, the available data is only at national level. Points of note in relation to this issue are:
- On ‘digital in the private sector’ both Germany and the Czech Republic are rated as ‘low’ overall. Both countries have medium level performance in terms of digitisation, but a low rating on the penetration indicator.
 - Germany is the EU average on both the Digital Technology Integration Index (DTII) and the Digital Transformation Enabler's Index (DTEI) while the Czech Republic performs slightly lower than the EU average on DTII and around the EU average on DTEI.
 - In terms of the ‘e-commerce’ index (taking into account enterprises selling online, receiving/serving orders via computer mediated networks, electronic sales both domestically and to other EU countries) the value for Germany shows significantly

¹⁵ Source: EU Regional Competitiveness Index report 2016.

¹⁶ J. E. Purkyně-Universität in Ústí nad Labem & TU Dresden: Region und Innovation am Beispiel des sächsisch-böhmischen Grenzraums, 2014

¹⁷ The project of the ‘TRANS³Net’ (co-financed by Interreg Central Europe 2014-2020) can be mentioned as a good example for the development of knowledge and technology transfer relations. The most important aim of the network is to shape conditions for building up a well working innovation system in the tri-national region of Saxony, Poland and Czech Republic. By involving all key players relevant for knowledge and technology transfer, TRANS³Net will provide a solution to overcome the multifaced obstacles concerning transnational cooperation between science and industry.

¹⁸ Germany and the Czech Republic have concluded a cooperative agreements concerning digitalisation and industry 4.0 in 2015 and 2016.

¹⁹ Wirtschaftsportal OWC-Verlag für Außenwirtschaft GmbH, 09.09.2015, <http://www.imove-germany.de/>

better performance than the EU average and the Czech Republic has the 3rd highest performance in the EU.

- Regarding the level of R&D expenditure in the ICT sector as a share of GDP in the EU (2015 figures), Germany's expenditure in this sector is slightly above the EU average while the Czech Republic is below average. The ICT sector share of GDP is around the EU average in Germany, but higher than the EU average in the Czech Republic.

49. E-government is one of the priorities of the Commission and should therefore be pursued. In a cross-border region such as Germany-Czech Republic, e-government can facilitate the daily life of citizens in their cross-border activities. There is significant scope to improve e-government on both sides of the border.

- ***Entrepreneurship***

50. With respect to entrepreneurship, data is only available at the national level for Germany. According to the available data, enterprise birth rates are within the low range (<8%) in Germany and in the medium-low range (8-10%) in all Czech border regions. The enterprise death rate is medium-low (6-9%) in Germany and medium-high (9-12%) in all Czech border regions. The share of high growth enterprises is medium-low in Jihozápad and Severozápad and medium-high (8-10%) in Severovýchod and Germany.

51. In the Bavaria-Czech Republic programme area the data shows that in terms of the share of wages and salaries paid by sector, the focus of both German and Czech border regions is on manufacturing and in German regions retail is also significant. In relative terms there are no large differences between the regions on the two sides of the border overall, although German regions have a generally higher focus on retail and wholesale trade whereas Czech regions have a stronger focus on transportation and storage.

52. In the Saxony-Czech Republic border area the focus on the manufacturing sector is the strongest in absolute terms. In relative terms, Severovýchod has a higher share of manufacturing than other regions, with almost 52% of wages paid in this sector. The German regions have a relatively stronger focus on Construction, and Dresden has a higher share of Professional, scientific and technical activities than other regions. (Data is not available for Chemnitz.) The share of persons employed by sector broadly confirms these findings.

53. Cross-border economic cooperation has developed well in recent years in the Saxon-Czech programme area. Cooperation between firms, chambers and business associations is characterised by intensive contacts and joint events. Business cooperation is also an effective way forward for the future, in order to overcome the handicaps of the business landscape in the programme area and to improve the competitiveness of businesses. However, obstacles to further cooperation in this area remain. These include, in particular, different legal frameworks (such as customs rules, tax law, technical standards, etc.), the lack of language skills, and limited information and contact opportunities to identify and select reliable business partners for entry to the foreign market.

- **Connectivity**

54. As regards road transport, the situation in the border region is rather positive, with the exception of some specific areas. In the Bavaria-Czech Republic cross-border area Plzeňský kraj and Jihočeský kraj are inner peripheries²⁰ with respect to road accessibility, as well as smaller parts of Karlovarský kraj, this latter region also being relevant for the Saxony-Czech Republic cross-border area.
55. The cross-border rail transport study carried out for the European Commission²¹ identified the rail link between Seifhennersdorf [DE] and Rumburk [CZ] as presenting the potential to offer better connectivity in the Eastern part of the cross-border region. The development of this potential project would enhance exchanges between border regions and contribute to increase labour mobility. In general, it would promote sustainable and eco-friendly mobility.
56. The common aim between the Czech Republic and the Free State of Saxony is to improve the railway link between Dresden and Prague. The Free State of Saxony and the Czech Republic have been cooperating to support the idea of a new rail line outside the existing line for removing cross-border bottlenecks between Saxony and the Czech Republic since the mid-1990s. In 2016, both sides decided to establish a project company using the legal form of an EGTC (see section on EGTC). The start of the regional planning procedure has been scheduled for the end of 2018. Although Prague is not within the cross-border programmes, the stations along the route could have positive implications in a long-term perspective for the development of the Saxony-Czech Republic cross-border area.
57. Moreover, the Bavarian and Czech authorities have identified a fast rail link between Munich or Nuremberg and Prague as a high priority. The two sides also agreed to work together to optimise regional passenger services on other rail links from Bavaria to the Czech Republic.²²

ORIENTATIONS:

- *Focus on the transfer of application-oriented innovation across borders as it is crucial for the development of the economic area. Cross-border cooperation between innovation centres and business incubators should be supported in this context. The technological cooperation and networks should be promoted also with the aim to create a basis for the joint regional marketing.*
- *Support the development of larger business cooperation and technology transfer networks (product development, services, research cooperation) including partners outside the programme areas provided they lead to the benefits for the cross-border region.*
- *Support specific measures which contribute in the middle term to an increase in the individual's interest in cooperation amongst entrepreneurs, e.g. the organization of seminars and training, trade fairs and exhibitions, as well as cross-border company meetings and job markets.*

²⁰ Inner peripheries are defined as being a region or collection of regions with poor performance relative to their neighbouring regions as regards population, GDP and unemployment.

²¹ Comprehensive analysis of the existing cross-border transport connections and missing links on the internal EU borders (Commission, 2017-2018) - https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cb_rail_connections_en.pdf

²² <https://www.railjournal.com/regions/europe/bavarians-and-czechs-plan-munich-prague-enhancements/>

- *Support the coordinated development and marketing of business sites in the border area.*
- *Coordinate with the relevant national and regional programmes in order to enable financing of cross-border transport projects, where necessary.*
- *Facilitate cooperation between regional and local actors and stakeholders in order to develop a common strategy for cross-border public transport.*
- *Support measures to promote existing e-solutions among border stakeholders and among public authorities at regional and local level most concerned by cross-border data exchange.*

5. GREENER, LOW CARBON ECONOMY

- *Energy transition*

58. The electricity generation in the Czech Republic and in Saxony is predominantly based on the energy source coal. Low carbon potential exists in particular in the form of wood biomass, but also in wind, solar and (on the Czech side of the border) geothermal. Cost of capital is low (in Germany) and medium (in the Czech Republic), so this is not an economic obstacle to investment. Investment in smart grids, however, is low.
59. The need to extend cross-border energy supply is in the regional interest. Measures improving resource efficiency and the sustainable use of renewable energy also require cross-border approaches. For this reason, German-Czech research and development cooperation in the energy sector, for instance, offers potential for further cross-border cooperation possibilities.
60. As a general principle, for all investments related to renewable energy a thorough assessment of the planned installation would need to be done so as to ensure that all relevant environmental provisions are respected, including those related to air quality and sustainability criteria for bioenergy²³.

- *Natural areas*

61. High value natural assets exist along the border, especially in the Bavaria-Czech Republic programme area.
62. There are several **Natura 2000 sites** within the cross-border programme areas:
- Bavaria-Czech Republic: There is a transboundary protected area in the cross-border region, the Nationalpark Šumava(CZ) and Nationalpark Bayerischer Wald (DE). In addition to these protected areas a large number of protected areas exist along the German-Czech border which form a continuous area of protected lands along the entire length of the border, in particular on the German side, but large areas are also protected on the Czech side directly along the border. In the area of the 'Green Belt', natural parks administrations and associations are already cooperating on both sides of the border. However, cross-border strategies for the long-term development of the natural area are missing²⁴.
 - Saxony-Czech Republic: There is a transboundary protected site, the Bohemian National Park Region which consists of four protected areas, the Nationalpark Sächsische Schweiz, Landschaftsschutzgebiet Sächsische Schweiz, Národní park České Švýcarsko and CHKO Labské pískovce. There are several other protected sites in the cross-border area, although these are not directly adjacent to each other.

²³ E.g. the revised Renewable Energy Directive from 2018 strengthens the existing EU criteria for bioenergy sustainability and extends them to cover also biomass and biogas for heat and power.

²⁴ Cooperation programme Interreg Germany/Bavaria-Czech Republic 2014-2020

63. There are also several ‘**Ramsar**’ sites (internationally important wetland site) in the cross-border area: The Ramsar site Šumavská rašeliniště is located directly along the Bavaria-Czech Republic border. This site is part of the transboundary protected area mentioned above. Krušnohorská rašeliniště is located directly along the Saxony-Czech Republic border.
64. The areas within the cross-border area which are directly along the border are assessed as having high levels of Green Infrastructure (GI) networks, in particular in the Bavaria-Czech Republic border region, but also to a lesser extent in the Saxony-Czech Republic border region. These areas directly along the border also qualify as ‘core GI’. In these areas with high GI network levels both the capacity to deliver ecosystem services and the capacity to provide habitat and connectivity for large mammals is high. Outside these areas the level of GI as well as capacity to deliver ecosystem services and habitats is generally low. Several Green infrastructure initiatives already exist across the Germany-Czech Republic border.
65. Cooperation in both programme areas in the form of transboundary protected areas is ongoing but could be enhanced, as not all adjacent protected areas are covered by transboundary initiatives. In addition, in the areas not directly adjacent to the border, landscape fragmentation is a threat and green infrastructure connectivity could be improved. Invasive alien species also pose a threat to ecosystems in these areas.

- ***Climate change and risk prevention***

66. Climate change poses significant challenges in the region. Natural risks from floods and forest fires also exist:
- Both countries belong to the Central European biogeographical region. The impact of climate change in the Central European regions will be an increase in warm temperature extremes, decrease in summer precipitation, increase in water temperature, increase in the risk of forest fires and decrease in economic value of forests.
 - Overall, both sides of the cross-border area are assessed as having a medium to low environmental sensitivity to climate change.
 - The German and Czech part of the cross-border area are both classified as areas with potential significant flood risk.
 - There has so far been no significant increase in forest fires over the past. Projections show that this risk will increase significantly in future in the cross-border area on both sides of the border.
 - The increase in drought frequency is not projected to be significant in the cross-border area.
67. Coordinated actions and cooperation across border regions would allow mitigating the negative impact of climate change and reducing the costs of measures needed to address this challenge. The programme authorities should continue giving priority to this area of interventions. At the same time, the remaining legal and administrative cross-border obstacles hindering effective disaster/emergency management and thus negatively affecting the delivery of an effective European-standard emergency service should be reduced.

- **Circular economy**

68. Recent data on waste is only available at the national level. The landfill rate is below the EU average of 25% in both countries; 22% in Czech Republic and 11% in Germany. The recycling rate in Germany at 66.1% is higher than the EU average of 45.8%, while in the Czech Republic at 33.6% it is lower than the EU average.
69. On the assumption that the border regions are in line with national levels of performance on recycling, some cross-border measures (incl. sharing of best practices) could be envisaged to improve recycling rates, in particular on the Czech side of the border.

ORIENTATIONS:

- *Develop and implement a comprehensive and coherent framework for promoting eco-innovation by improving the co-ordination of energy, innovation and environmental policies; encourage co-operation between academia and business in this field.*
- *Strengthen cooperation with municipalities, associations and stakeholders in the National Park regions for cross-border tourism development to be environmentally sustainable.*
- *Continue to improve the cross border information on biodiversity by assessing the extent and values of ecosystem services. Consider expanding the cross border national park networks to protect the most valuable species and habitats. Prevent habitat fragmentation associated with infrastructure development and develop ecological networks to facilitate wildlife migration.²⁵*
- *Increase cross-border cooperation to identify the most suitable climate adaptation and risk prevention and management measures, including sharing of best practices and developing harmonized data systems;*
- *Improve the effectiveness of EU funding for joint green infrastructure by improving project co-ordination, oversight, planning and evaluation, and ensuring the achievement of measurable environmental targets. Involve relevant stakeholders on each side of the border in this process.*
- *Further support joint trainings, preparatory actions and planning for flood risk and forest fires management.*

²⁵ OECD-2018 Recommendations on climate change, air, chemicals, water and biodiversity management , <https://www.oecd-ilibrary.org/docserver/>

6. EMPLOYMENT, EDUCATION, HEALTH AND INCLUSION

• *Employment*

70. Although there are some cross-border differences in employment and unemployment rates in the border regions, the overall situation is comparable on both sides of the border.
71. In the Bavaria-Czech Republic area employment rates are between 75% and 80% on the German side and in the range 70-75% on the Czech side. In the Saxony-Czech Republic area employment rates are in the 70-80% range on both sides.
72. In terms of unemployment rates the following can be observed: In the Germany/Bavaria-Czech Republic area all NUTS 2 regions on both sides of the border have unemployment rates below 5%, except Severozápad (in the 5-10% range). In the Saxony-Czech Republic cross-border area Severozápad is again the only region where unemployment is higher (in the 5-10% range), in the rest of the cross-border area the unemployment is below 5%.
73. There is a significant asymmetry in wages across the Germany-Czech Republic border as both wages and overall labour costs in the industry, construction and services sector are around three times as high in Germany as in the Czech Republic. It should be noted that this information is based on national level data and there may be regional differences in wages, which are not accounted for.
74. With respect to the flow of people across the border for work or business purposes the EU average figure is 14%. In the Germany-Czech Republic border areas the following can be observed:
- In the Bavaria-Czech Republic cross-border area overall 15% of the population of the cross-border area have crossed into the neighbouring country for work or business. There is some asymmetry, with 22% of Czechs having visited Germany for this purpose but only 9% of Germans having visited the Czech Republic for this reason.
 - In the Saxony-Czech Republic cross-border area the overall figure for those who have crossed the border for work or business purposes is 18%. 13% of Germans have crossed to the Czech Republic for this reason, and 22% of the Czech border area population have travelled to Germany for work or business.

• *Public services*

75. The central locations (towns, cities) are crucial to ensure security of supply of public services in the border area. Harnessing the benefits of pooling and concentrating the benefits of services of general interest, particularly in rural areas, is an important task for regions and local authorities and should be supported. The country borders should not create obstacles in this context.
76. With regard to cross-border travel to use public services in the average EU border region 9% of the population have used cross-border public services. With respect to the Germany-Czech Republic border the analysis found:

- In the Bavaria-Czech Republic cross-border area 6% of Germans and 5% of Czechs have travelled across the border to use public services. The average for the entire region is 5%, which is lower than the EU average.
- In the Saxony-Czech Republic cross-border area 8% of the population have travelled across the border to use public services, the share for German residents is 10% and for Czech residents it is 7%.

77. Data is scarce on the provision of public services, with most available data focusing on healthcare and education.

• **Health**

78. The health care systems in both countries are predominantly funded, with one of the highest per capita spending on the EU level in Germany and one of the lowest health expenditure per capita in Czech Republic.²⁶

79. In terms of access to health services, almost all German border regions have reasonable access to hospitals and to doctors. However, narrow areas directly along the Sachsen-Czech border have relatively poor access to hospitals. On the Czech side, large parts of the border regions have relatively poor access to health services.

80. Consequently, there are substantial differences in the provision of health services in the cross-border areas and the programme should try to encourage (innovative) solutions in this field.

81. There are significant ageing related challenges in all NUTS 3 border regions on the German side of the border. It presents new challenges for the social health services, the care system for the elderly people and sustainability of the public pension systems. Supporting cross-border cooperation in this field could significantly contribute to facing these challenges.

• **Education**

82. The expenditure on education, higher education and vocational training compared to EU level is on average in Germany at 9.4 % of GDP (2014) and at the lower end of the scale in the Czech Republic (7.9 %). However, the ratio of pupils to teachers in primary and secondary education is comparable and in the lower middle in the EU.²⁷

83. 59 % of Czech pupils learn German as a foreign language, whereas German children learn Czech on a regular basis only in some border regions. Only about 2000 Germans studied at Czech universities in 2015, twice as many Czechs at German universities.²⁸

84. Concerning education, according to the 'Regional Competitiveness Index' (RCI), all German regions at the border perform significantly above the EU average on basic education. The Czech regions are close to the EU average.

²⁶ See BMVI: Raumbewachung Deutschland und angrenzende Regionen (...), S. 110 ff

²⁷ See BMVI: Raumbewachung Deutschland und angrenzende Regionen (...), S. 107

²⁸ See BMVI: Raumbewachung Deutschland und angrenzende Regionen (...), S. 107

85. Concerning higher education and lifelong learning indicator, in the Bavaria-Czech Republic cross-border area all three German regions have scores around the EU average. Jihozápad is around the EU average while Severozápad is below. In the Saxony-Czech Republic cross-border area Chemnitz is close to the EU average, while Dresden performs above the EU average. Severozápad is below the EU average and Severovýchod is around the EU average.

ORIENTATIONS:

- *Encourage multi-level partnerships to analyse and tackle specific barriers/ obstacles identified in relation to cross-border employability such as recognition of skills/ qualifications/ diplomas, social security, pensions, taxations, schools/ kindergarten, etc. where appropriate.*
- *Support actions to strengthen and deepen cross-border cooperation between educational institutions and relevant professional bodies as an important element in supporting growth and competitiveness. This should include cooperation to better align the supply and demand of the cross-border labor market in the long term.*
- *Promote cross-border labour mobility, e.g. by support of employment information services as appropriate.*
- *Support local/regional actions on (professional) language training.*
- *Consider cooperation actions related to the issues caused by the ageing of the population on the German side of the border as these can have positive outcomes for both sides, in particular regarding labour market, senior care and healthcare services.*
- *Support further development and use of e-health solutions and networks as an effective way to overcome long distances in the cross-border area.*

7. GOVERNANCE

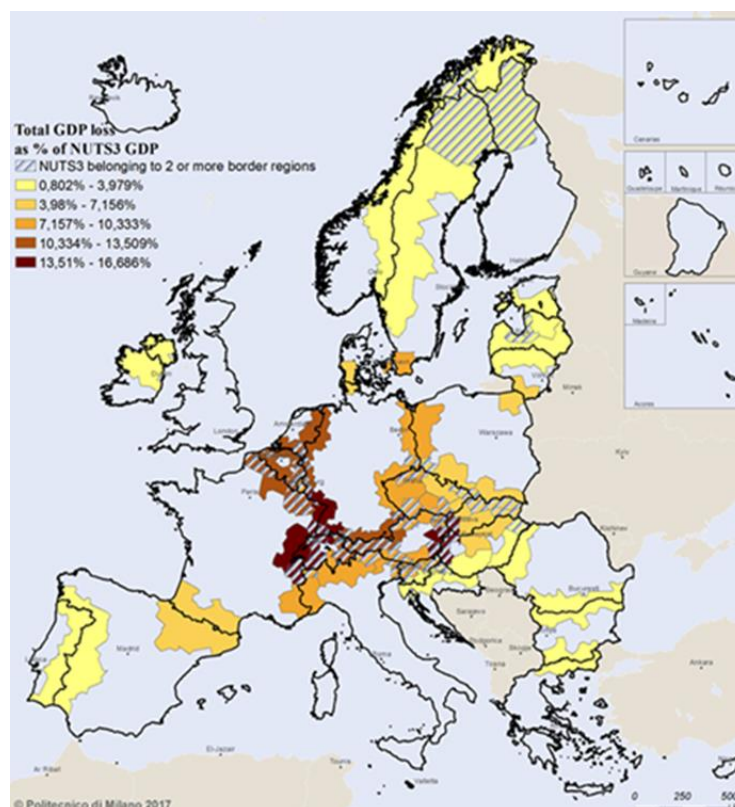
Section 1: Cross-Border Governance in a wider context (and use of the new "Interreg Governance" specific objective)

86. Cross-border cooperation is not limited to Interreg programmes. It also builds on policies (e.g. cross-border mobility), on legal instruments (e.g. bi-lateral agreements, treaties, European Groupings of Territorial Cooperation) and on funding (including but not limited to Interreg).

87. Actions and orientations set out in this section may be supported using the specific objective on Interreg Governance.

- ***Working on border obstacles and potential***

88. As illustrated in the Commission Communication "Boosting Growth and Cohesion in EU Border Regions", there are many different types of obstacles to cross-border cooperation. There is also scope for greater sharing of services and resources in cross-border regions and to intensify the cooperation between citizens and institutions. Among the obstacles, legal, administrative and differences in institutional capacity are a major source of bottlenecks. Other issues include the use of different languages or lack of public transport for instance. When it comes to unused potential, the shared use of health care or educational facilities could contribute greatly to improving the quality of life in border regions. As the Interreg programmes are instrumental to effective cross-border cooperation, they should seek to address these particular obstacles and tap the common potential to facilitate cooperation in this wider context. The map below illustrates the potential gains that can be made.



ORIENTATIONS:

One very important objective of the Interreg programmes 2021-2027 should be:

- *to identify precisely key obstacles and unused potential (e.g. cross-border labour market hindrances, health care, transport connections, use of languages, etc.; the Cross-Border Review should be used as a starting point),*
- *bring the relevant actors together (e.g. authorities at national/ regional/ local levels, enterprises, users, etc.)*
- *and facilitate the process of finding ways to reduce these obstacles or exploit the potential (e.g. by funding meetings, experts, pilot projects, etc.).*

• *Links with existing strategies*

89. Cross-border cooperation cannot be done in isolation. It has to be framed in the existing strategies (e.g. macro-regional, national, regional or sectoral). Ideally, there should be a dedicated cross-border strategy which is based on reliable data for cross-border regions, which is politically supported and which has undergone a wide consultation with relevant stakeholders. It is a useful exchange forum and a necessary step for sustainable and structural cooperation (i.e. a Monitoring Committee is not sufficient as its focus is on funding and not on designing a development strategy with strong political support). Whilst many borders have such strategies, it is not always the case. When there are such strategies, they are often only partly implemented with the Interreg programmes.

ORIENTATIONS:

The Interreg programmes should be embedded in the existing strategies with clear actions and results (e.g. through an appropriate intervention logic and indicators). If however, such strategies do not exist yet, the authorities along the border could consider establishing them. In addition, programmes should be well coordinated with existing macro-regional, national, regional or sectoral strategies (e.g. with an analysis on how to translate these in a cross-border context). This requires a coherent overview of all existing strategies (i.e. have a mapping of the strategies affecting the border area).

- ***Role of existing cross-border organisations***

90. Several regions have cross-border entities which can be established under EU law (e.g. European Groupings of Territorial Cooperation – EGTC), national law (e.g. private law associations or public law bodies) or international law (e.g. under bilateral agreements). One example of this are the Euroregions under national law, which cover many of the borders in the EU. Many of these entities have a legitimacy (established by public authorities), an experience (many exist for years) and expertise (through their past work and staff) that should be put to good use.

ORIENTATIONS:

The Interreg programmes 2021-2027 should build on the legitimacy, experience and expertise of these cross-border organisations. Where they are a legal body, they could play a role e.g. by managing a Small Projects Fund or by managing strategic projects (as sole beneficiary, in particular for an EGTC) or in case of an EGTC even Interreg programmes. Where appropriate, cross-border programmes should also build on the legitimacy, experience, and expertise of International, Inter-regional and Transnational Initiatives as any other programme.

- ***Links with other Cohesion policy programmes***

91. The proposed Common Provisions Regulation stipulates that “each programme shall set out, for each specific objective the interregional and transnational actions with beneficiaries located in at least one other Member State”. Whilst a similar provision is already present in the current Regulation, it is now proposed to become compulsory for the mainstream programmes to describe the possibilities for cooperation for each specific objective. They could also explore opportunities to contribute together with other programmes to a larger macro-regional project, where appropriate.
92. It means that if mainstream programmes do not plan such cooperation actions, they will have to justify the reason. Cooperation may have many benefits for cross-border areas: more ambitious projects (e.g. joint infrastructures), involvement of new players (e.g. the national authorities such as Ministries) and overall more ambitious policies (e.g. spatial planning with associated funds).

ORIENTATIONS:

The Interreg programmes 2021-2027 should establish (or participate to) a strong coordination mechanism with the authorities responsible for mainstream programmes. This coordination implies exchange of information and cooperation and should happen at all stages: planning (e.g. designing complementarities), implementation (e.g. building on synergies) and communication (showing the benefits for the citizens and the region).

- ***Cross-border data***

93. In order to have good public policies (e.g. spatial planning), these should be based on evidence (i.e. data, studies, mapping). Whilst this is generally available at national level, it is not always the case at regional/local level and even less at cross-border local level. Some of this evidence is particularly important: economic flows, transport flows and trends, labour mobility and mapping of competences, health of the citizens, mapping of important infrastructures and services (such as energy, waste treatment, hospitals, emergency services, universities), mapping of risky areas (to floods, fires, etc.), mapping of natural areas (e.g. Natura 2000, sites under the Ramsar convention of wetlands, etc.) and mapping of the main inclusion difficulties (poverty, marginalised communities, etc.).

ORIENTATIONS:

The Interreg programmes 2021-2027 should identify the areas where important cross-border data is missing and support projects that would fill the gap at the latest by 2027 (e.g. in cooperation with national statistical offices, by supporting regional data portals etc.).

Section 2: Governance of programme

- **Partnership principle**

94. The principle of partnership is a key feature covering the whole programme cycle (including preparation, implementation and participation in monitoring committees), building on the multi-level governance approach and ensuring the involvement of economic, social and environmental partners. Examples of good practice include involving representatives of different interests in the programming process; involving them in programme evaluation or other strategic long-term tasks for instance by setting up temporary working groups; consulting all members on key documents also between meetings. An active involvement of economic, social and environmental partners should be ensured by their participation in key steps. Technical Assistance can be made available to facilitate their full involvement in the process.

- **Role of the monitoring committee:**

95. The monitoring committee is the strategic decision-making body of the programme. In 2021-2027 the monitoring committee will be given a more prominent role in supervising programme performance.

ORIENTATIONS:

*Monitoring committees currently concentrating on project selection should be invited to widen their scope of action and take on a more strategic role. **Good practices include** having strategic discussions as a standing agenda point, inviting contact points of macro-regional strategies or institutions playing a key role in the border area, organising project visits. Some examples of strategic discussion themes: border obstacles, cross-border data needs, inclusion of SMEs, NGOs and other under-represented beneficiaries or target groups of the programme. Where appropriate, the contribution of the programme to the development of a macro-regional strategy should also be a regular point of discussion.*

96. **The composition of the monitoring committee** must be representative for the respective cross-border area. It must also include partners relevant to programme objectives (i.e. priority axes), e.g. institutions or organisations representing environment, SMEs, civil society or education. When the programme is relevant for the development of a macro-regional strategy, macro-regional key stakeholders should also be regular members of the monitoring committee of the programme.
97. **Project selection** shall take place in the monitoring committee or in steering committee(s) established under the monitoring committee in full respect of the partnership principle. It is crucial that key stakeholders are involved in the project selection process. Selection criteria and their application must be non-discriminatory and transparent. They should also be clear and they must enable the assessment of whether projects correspond to the objectives and the strategy of the programme. They are to be consulted with the Commission and communicated to applicants in a clear and systematic way. The cross-border dimension should be compulsory in every selected project. The

programme might consider the use of independent expert panels for preparation of project selection. Larger strategic projects / flagship projects (i.e. designed and implemented by public authorities without a call) may be pre-defined in the programme document or selected via a transparent and agreed procedure. It is up to each programme partnership to decide on the optimal balance between different types of projects required to achieve the overall programme objectives, such as flagship projects, projects embedded in the relevant macro-regional strategy, regular projects, projects selected through bottom-up or top-down procedures, small projects, etc.

98. **Decision-making** must also be non-discriminatory and transparent. The procedure should also be inclusive. Each monitoring (or steering) committee member shall have a vote. Voting by delegation should not be encouraged unless it is transparent and puts weaker partners at equal footing with "institutional" partners.

- ***Role of the managing authority***

99. The managing authority shall ensure effective implementation of the programme. The managing authority is also at the service of the programme and its monitoring committee. It acts as the programme authority representing *all* countries participating in the programme.

ORIENTATIONS:

It is recommended that the Member State hosting the programme authorities is represented in the monitoring committee separately from the managing authority (i.e. a different person). The managing authority shall ensure the effectiveness and transparency of the project selection, reporting and monitoring systems. The use of Interact's Harmonised Implementation Tools and electronic monitoring system (eMs) is recommended if relevant.

- ***Role of the Joint Secretariat***

100. The Joint Secretariat (JS) should ideally be the cross-border executive body of the programme at the service of the managing authority. It should consist of professional and independent staff from the participating countries. The JS should possess representative linguistic competence and relevant border country knowledge. Its procedures should be efficient and transparent. Communication with beneficiaries, potential applicants and the general public should be ensured mainly by the JS. **Regional contact points/antennas** operating directly under the JS' responsibility may be useful in border areas characterised by large distances and/or difficult accessibility.

- ***Functional areas***

101. According to different sectors, an Interreg programme may cover several overlapping functional areas (e.g. for access to health facilities, it may be larger or smaller than for access to secondary education).

102. For some topics, the solution can only be found if partners outside the programme area are involved (e.g. for reducing the risks of floodings, you may need to reintroduce wetlands or dams upstream of a river but outside the relevant programme area). For some other topics, the solution may be very local, in an area much smaller than the programme (e.g. to have a cross-border tram line in an urban area which is expands on both sides of a border, or to promote daily commuting for work).
103. The proposal to address the issues through a functional area offers some flexibility in planning and implementation and linkages with other projects can be easier established. The Monitoring Committee shall have the competence to decide on projects outside the eligible area, but with clear benefit for the cross-border region, and the macro-region, if relevant.

ORIENTATIONS:

The Interreg programmes 2021-2027 should design their actions based on functional areas - which will depend on the issue at stake - rather than on the administrative scale defining the programme area. Authorities are encouraged to use the different available tools to support functional areas such as the European Grouping of Territorial Cooperation - EGTC -, Euroregions, Integrated Territorial Investments, Community Led Local Development, metropolitan areas, natural parks, and to cooperate with the relevant macro-regional key stakeholders, where appropriate.

- **Trust-building measures**

104. Effective cross-border cooperation requires a good level of trust between partners. Trust needs to be built and maintained. This is a long-term investment which aims at fostering cooperation-minded future generations. The Interreg programmes can make a substantial contribution by providing financial support for trust-building activities such as linking up schools, sports clubs, cultural organisations, etc. The beneficiaries of such activities are often not equipped to manage full-blown Interreg projects.

ORIENTATIONS:

It is highly recommended to put in place mechanisms to finance smaller projects or people-to-people projects that make a strong contribution to the social and civil cohesion of the cross-border region. This can be done using the new tool proposed by the Commission (the Small Projects Fund) or via specific calls managed by the Managing Authority itself.

- **Conflict of interest**

105. Conflict of interest between decision-making bodies and applicants and beneficiaries is to be avoided at any moment, including project generation, project preparation, project selection and project implementation. One way to avoid this is to ensure a proper segregation of duties between institutions and persons.

- ***Communication and publicity***

106. Appropriate actions and measures in line with the Communication Guidelines need to be taken by all involved authorities and beneficiaries, such as the identification of a communication officer per programme, the establishment of a website per programme and use of the term 'Interreg' next to the emblem of the EU. Responsible authorities are encouraged to explore the possibilities to receive targeted funding under the Interreg Volunteers Youth Initiative, by which budget has been made available for citizens engagement activities. In case the programme is financing the implementation of a macro-regional project, the logo of the respective macro-region should be added. Thereby, opportunities will be created for further promotion of the project through the macro-regional platforms and networks, where relevant.

ORIENTATIONS:

- *In order to make effective use of the potential of the border area and to support the sustainable development of the common border area, it is recommended to use both EU and national/regional support programmes in a targeted manner. The focus should be on **integrated policy and action concepts** to address shared tasks that are coordinated and implemented together in terms of content and space. Priority should be given to measures that are prioritised on the basis of these concepts in public support.*
- *Ensure an active involvement of economic, social, educational and environmental partners in the monitoring committees.*

Existing sources of information

- Border needs study (Commission, 2016) – [Collecting solid evidence to assess the needs to be addressed by Interreg cross-border cooperation programmes - Regional Policy - European Commission](#)
- EC ex-post evaluation of ETC 2007-2013 http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#11
- European Territorial Cooperation - best practices and innovative measures, European Parliament, 2016 [REPORT on European Territorial Cooperation - best practices and innovative measures - A8-0202/2016](#)
- Quantification of the effects of legal and administrative border obstacles in land border regions (Commission, 2016) – [quantification of the effects of legal and administrative obstacles in land border regions - Bing](#)
- Easing legal and administrative obstacles (Commission, 2017) – [Easing legal and administrative obstacles in EU border regions - Regional Policy - European Commission](#)
- Comprehensive analysis of the existing cross-border transport connections and missing links on the internal EU borders (Commission, 2017-2018) – https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cb_rail_connections_en.pdf
- DG SANTE's study on cross-border health care [Building Cooperation in Cross-border Healthcare: new study published! | FUTURIUM | European Commission](#)
- ESPON's Targeted Analysis on Cross-Border Public Services [CPS - Cross-border Public Services | ESPON](#)
- EU Strategy for the Danube Region
- Eurobarometer No 422 conducted in border regions in 2015, <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/1565>
- Bundesministerium für Verkehr und digitale Infrastruktur : Raumbeobachtung Deutschland und angrenzende Regionen - Räumliche Strukturen und Verflechtungen", MORO Praxis Heft 11, 2017
- OECD-2018 Recommendations on climate change, air, chemicals, water and biodiversity management, <https://www.oecd-ilibrary.org/docserver/>
- Entwicklungsgutachten für den bayerisch-tschechischen Grenzraum erstellt im Auftrag des Bayerischen Staatsministeriums der Finanzen und des Regionalministeriums der Tschechischen Republik, 2015
- Annedore Bergfeld (Hrsg.) Sächsisch-Tschechische Grenzraumstudie: Zusammenfassende Analyse und Entwicklungsstrategie, Leibnitz-Institut Leipzig, 2013
- J. E. Purkyně-Universität in Ústí nad Labem & TU Dresden: Region und Innovation am Beispiel des sächsisch-böhmischen Grenzraums, 2014