

# **TERCO**

## European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life

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## 1. Executive summary



TERCO – which stands for "European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life" - is an ESPON Applied Research project under Priority 1 (2013/1/9). This Interim Report is the second project report to be completed, and it expands on and adds to the ideas and material covered in the project Inception Report (30.08.2010). In particular, the Interim Report elaborates on the research tools developed, data collected, maps drawn up, and it presents the preliminary results of the project so far. The Report concludes by setting out directions for the next project deliverable, the Draft Final Report, due to 2 March 2012.

### 1.1 Aims of the project

The main objective of the TERCO project is to **assess the relationship between transnational territorial cooperation (TTC) and the socio-economic development of EU and neighbouring regions**. In line with this objective are 4 subordinate objectives:

1. to estimate the impact that various TTC types have on socio-economic development;
2. to assess the adequacy of existing TTC types and areas;
3. to identify key determinants of successful TTC;<sup>1</sup> and
4. to establish good practices of governance for successful TTC.

By **territorial cooperation**, we mean the collaboration between administrative bodies and/or political actors in Europe and beyond, representing their respective territories, which can also engage other public stakeholders as long as their involvement is within the same institutionalised framework. The definition of *transnational territorial cooperation* (TTC) goes along the same lines but referring to cooperation which at the same time, "goes beyond national boundaries". Thus it is in fact, the equivalent of *international* territorial cooperation; and so it is not to be understood in the narrow sense of transnational territorial cooperation under INTERREG B.

We identify **5 main types of TTC**, where each type is distinguished mainly by two criteria: i) level of the territorial unit involved and ii) relative location of the cooperating units. The types are:

1. **TwinningCity cooperation** - the units are LAU 2 (cities or communes) and they are either adjacent (e.g. TwinCities) or distant (e.g. SisterCities) but they need to have twinning agreements;
2. **Cross-border cooperation** - takes place among larger administrative units, such as NUTS 3 regions (and their non-EU equivalents), which are neighbours across a national border;

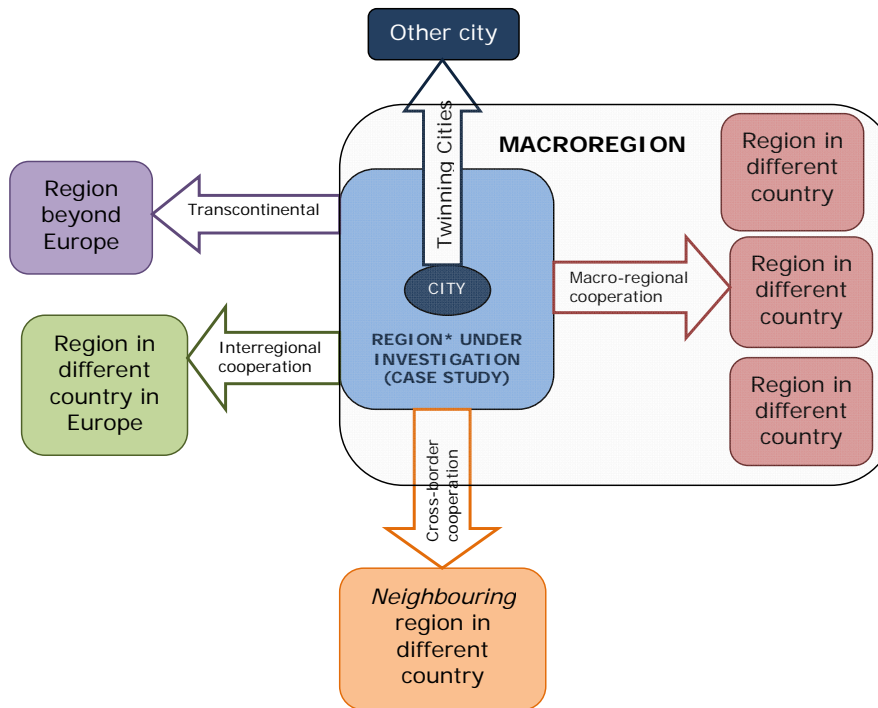
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<sup>1</sup> Successful TTC is defined as the one which bring socio-economic development

3. **Interregional cooperation** - cooperation of NUTS 2 regions, (and their non-EU equivalents) located in different countries, which are not directly neighbouring across a national border;
4. **Macro-regional cooperation** - NUTS 2 regions (and their non-EU equivalents) cooperating within close proximity to each other within boundaries of some larger geographical macro-region, e.g. Baltic Sea, Alpine, Mediterranean regions, etc.;
5. **Transcontinental cooperation** –regions and cities in the EU (at NUTS 3, NUTS 2, LAU2 level) undertaking cooperation with equivalent non-EU territorial units located in other continents.

The relationships among the five types of TTC are presented in the figure below.

**Figure 1-1 Relationship between different types of TTC**



## 1.2 Research approach

This research starts with the assumption that borders place artificial barriers in the way of development (5th Cohesion Report). Our main **hypothesis is that transnational territorial cooperation (TTC) is one of the factors underpinning the socio-economic development of territorial units.** Related to this, on the one hand we investigate factors behind TTC itself, i.e. how it works, what it targets, how it is governed and operationalised/mobilised, what factors and systems make it happen. On the other hand, the project looks at the outcomes of TTC, i.e. whether it brings about socio-economic development (e.g. to what extent, and whether all participating units/regions benefit etc.), in



which geographical areas and thematic domains it is most needed, how effective it can be, and how much value added it can bring.

The main **methods** applied in order to meet the objectives and to test the hypothesis are:

- i) desk-research (including literature review, studying policy papers and meta-evaluations of TTC programs in the EU and beyond),
- ii) multivariate statistical analyses (factor and cluster analysis, structural equation modelling),
- iii) network analysis, and
- iv) case studies.

These methods have all been described in the project's Inception Report and are summarised in Section 2.3 of this Report.

A **conceptual model, TERCO-SEM**, has been created in an effort to capture and conceptualise the determinants and outcomes of transnational territorial cooperation (see Section 2.3 for details). The model depicts the key determinants of TTC as well as its potential impacts. The model draws on key concepts and findings established by the project's literature review (see Inception Report). For instance, it draws on Colomb's (2007) concept of the scope of cooperation; Barca's (2009) notion of the value added that TTC can bring ("by dealing with relevant, over-the-border interdependencies and promoting cooperation networks and collaborative learning involving both public and private actors" - Barca, 2009 ), and the expected effectiveness of TTC in "facilitating worker mobility" (Manifesto, 2008), etc.

The cross-border regions selected for the **case studies** were chosen in order to cover all combinations of various types of cooperating countries and types of borders, they include Old Member States, New Member States, Candidate Countries, countries across Internal EU borders vs External EU borders (Neighbourhood Countries and other countries beyond European continent), as well as countries across land and maritime borders (see Section 2.1 for more details). Altogether there are 19 countries covered by 9 Case Studies, which are as follows: 1) Finland-Russian Federation, 2) Poland-Slovakia-Ukraine, 3) Poland-Germany-Czech Republic, 4) Scotland-Sweden-Norway, 5) Belgium-France, 6) Greece-Bulgaria-Turkey, 7) Spain-Argentina, 8) Spain-Uruguay, and 9) Spain-Morocco.

The main **research tools** used in the project are: a standardised electronic questionnaire (CAWI) and an in-depth interview (IDI) which are presented in Annex 6.1 and 6.2 respectively. CAWI was designed so to collect the data which are going to be used to estimate the aforementioned TERCO-SEM model. The questions are formulated in comparative way, so they relate to 5 types of TTC at the same time. They collect facts and opinions on each construct existing in the model, such as: prevailing domains for each TTC, scope of cooperation by TTCs, main drivers of and attitudes toward TTCs, governance of TTCs, impact and future prospects of TTC. CAWI targets regional and local officials within

CS municipalities or LAU2 areas. CAWI also targets those institutions which have not participated in any territorial cooperation and investigate why is it so.

The in-depth Interview (IDI) is designed to investigate in detail the best solutions and the future prospects for the various TTC types. Four categories of questions are set out under the following headings: 1) most desirable geographic areas for territorial cooperation (i.e. most desirable areas for placed-based policy, regions beyond current policy intervention areas); 2) the key driving forces and the most constructive domains for cooperation (i.e. those which bring most synergies, and those which increase competitiveness for all cooperating regions); 3) the most appropriate territorial structures; and 4) the most effective governance structures and practices.

The project gathers a large amount of data which is divided across four **databases**:

1. Database on INTERREG III and IV strands A, B, C - includes information on partners, regions, domains, budget, etc. Such information tailored to NUTS 2 regions and is needed in order to correlate cooperation with development;
2. Database with *indicators on socio-economic development and transnational flows* at the NUTS 2 and NUTS 3 levels comprises economic, social, demographic, labour, migration and other statistics which measure socio-economic situation (levels and dynamics);
3. Database on TwinningCities – includes information on cities and their partners which have the twinning city agreements signed. This allows for the tracing and visualisation of a network of collaborating cities, which is something that has not been done before;
4. Database on transcontinental territorial cooperation – a list of territorial cooperation agreements of the EU with regions in South America (Argentina and Uruguay) and North Africa (Morocco).

### 1.3 Main findings

TERCO has so far two types of findings to offer. Firstly, we have developed a suitable framework to tackle such a complex phenomenon as transnational territorial cooperation. Secondly, we have carried out an explorative analysis to understand the range, and individual characteristics of territorial cooperation (such as intensity, scope, degree, ways of governing it, etc.). Hence, now we are prepared to assess empirically this complex phenomena in a comprehensive framework (i.e. where a range of TTC features determines a range of various outputs such as economic growth, creation of jobs, increasing quality of life e.g. related to environment protection, etc.). This is by linking practical use of theory with the data collected in the project.

In particular, so far we have learned that:

1. EU peripheral rather than central NUTS2 regions tend to have a higher number of territorial cooperation projects. This tendency is visible both in absolute terms as well

as in relative terms (per capita), based on INTERREGs analyzed. It can be hypothesized, that this is because peripheral regions tend to be less developed and have a higher motivation for finding partners, resources, opportunities for development and that this cooperation bring them in a way closer to the well developed centers. However further analysis, will show the motivations and drivers by TTC types, as we ask about it in our questionnaires.

2. The regions having cooperation with relatively more regions (than EU average), tend to be located primarily in Spain, Italy, Latvia, Lithuania, Greece, Finland, Ireland. We say that regions with such a characteristics have a higher degree of cooperation.
3. There is a correlation between the number of cooperating regions and number of cooperating projects that a certain region has. However, it is not always a statistically positive correlation. We have identified several interesting cases where two regions with the same number of projects showed a substantial difference in terms of their numbers of collaborating regions; i.e. one had very few and the other had a many partner regions. Such cases are particularly interesting because we can investigate “the strength of weak ties”:i.e. test the hypothesis that for a given region it is better to have more cooperating partners, even if with weaker links, than just a few of them that are also mostly the same, as this latter case may not bring new values for the region.
4. Based on review of various TTC project, we concluded that very different forms of cooperation and forms of institutional and governance arrangements are in place. Cooperation can range from sporadic consultation involving limited resources, e.g. city twinning arrangements, to wide-ranging and well-resourced programmes with accompanying institutional frameworks.
5. Cooperation emerging across the EU’s external borders is complicated by stark institutional and administrative asymmetries, a fragmented policy framework in which INTERREG (for EU-internal actors) and the, ENPI (for neighbouring states) pursue different policy objectives and a lack of opportunity structures for greater local-level participation (particularly affecting local governments and civil society organisations). This is confirmed by the preliminary findings of the Finnish-Russian case study.
6. While cooperation arrangements differ, it is possible to highlight a number of common challenges involved in the governance of territorial cooperation. Common challenges highlighted in the literature range from the often complex and bureaucratic nature of cooperation to the difficulties in demonstrating impact of cooperation. Moreover, guaranteeing that territorial cooperation activities are integrated with larger domestic development strategies, while also avoiding becoming subsumed by them, is an additional challenge.
7. Many of the programmes have developed distinctive management or delivery approaches over an extended period. Based on an initial review of INTERREG programmes one of the main distinctions that can be made in relation to the governance of the programmes are the extent to which various responsibilities are delegated ‘top-down’.
8. Joint and participatory approaches to programme implementation have been evaluated as one of the key factors for successful cooperation, particularly under the various strands of the INTERREG programmes. For instance, in the case of the

INTERREG IIIA programmes, joint and participatory approach has had a favourable influence particularly in the preparation/elaboration of programme strategies, decision-making processes established at the programme-level.

9. Review of various cooperation project revealed also that competition is a barrier to cooperation and may even result from cooperative activities, such as the exchange of best practices. However, experience in other programmes, e.g. the EU's LEADER programme, indicate that amongst the groups participating in cooperative projects and activities the advantages of cooperation outweighed the inconveniences.
10. As shown in other studies, where cooperation efforts expand into new areas of activity, efforts have to be made to ensure the planned activities complement existing initiatives, as opposed to overlapping or conflicting. In developing new areas of cooperation it would be counter productive to move into areas that would overlap or clash with existing, well-functioning networks.
11. The institutional and financial resources available for cooperation fluctuates and, related, so do the expectations of what cooperation can achieve. Of particular relevance to the contemporary development of territorial cooperation is the impact of the economic crisis, which could have potentially contradictory impacts, as revealed already by the earlier studies.
12. In the past, most INTERREG programmes suffered from a lack of clarity in the definition of common indicators and a lack of baseline data against which to measure progress, which has invalidated attempts at aggregating data collected from projects; However more recently, considerable efforts have been made to intensify the impact of cooperation programmes and assess it. For instance, the 2007-13 Northern Periphery Programme requires projects to produce a 'tangible' product or service.
13. EGTC (European Grouping for Territorial Cooperation) has a special potential to increase effectiveness of transnational territorial cooperation as it is the result of a long-standing desire on the part of local and regional authorities and EU institutions. However, the success of EGTC is to be yet assessed. Hence, for the purposes of this study EGTC cases are included where public actors are especially willing to cooperate, are actively engaged, and responding to concrete problems and challenges. This practical experience allows for the study to identify good practice and drawing some policy lessons.

#### **1.4 Further research**

Directions for the further research will aim at the empirical verification of the project's hypothesis as well as answering the policy and research questions. In particular they will:

- provide typologies of TTC and TTC driven socio-economic development of the EU regions (and beyond);
- suggest the most promising geographical territorial cooperation areas for TTC;
- indicate the most relevant domains for each of the 5 TTC types;
- discuss, in various geographical context and with reference to various territorial structures (EU vs. other continents; land vs. maritime borders; rivers vs. mountains, etc.), and specific development opportunities that could provide basis for cooperation
- show the most effective governance structures for and practices of cooperation, supported by evidence from good practices.

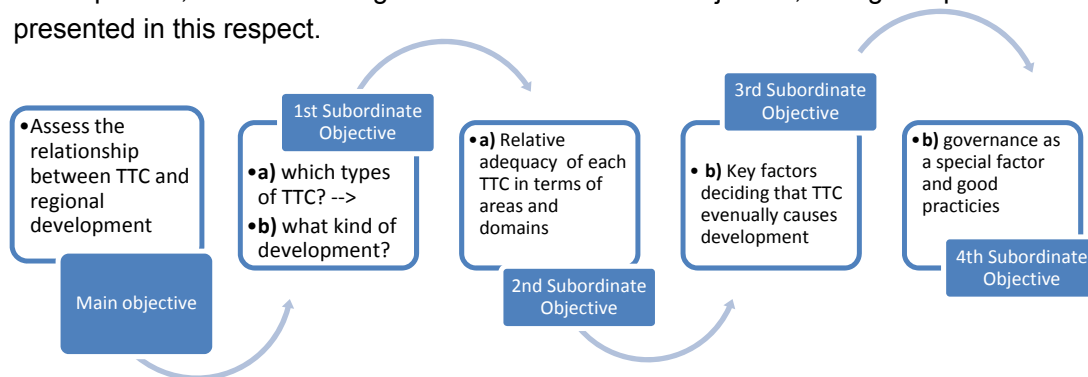
## 2. Outline of literature and methodology

### 2.1 Main goals, hypothesis and research questions

As previously mentioned, this research starts from the standpoint that borders place artificial barriers in the way of development. Hence, overcoming these barriers and fostering transnational and inter-regional linkages is an important aim of Cohesion Policy (5<sup>th</sup> Cohesion Report). The project investigates to what extent transnational territorial cooperation (TTC) translates into improvements in the development and competitiveness of the cooperating regions. In other words, our main objective is to **assess the relationship between transnational territorial cooperation (TTC) and the socio-economic development of EU and neighbouring regions.**

We understand that the challenges faced by internal and external border regions differ so we cover both areas (EU vs European Neighbourhood regions and EU vs regions on other continents). In the past, for internal EU border regions, one of the main challenges of TTC is overcoming the remaining political and administrative barriers that hinder regional integration. For external EU border regions, especially in Central and Eastern Member States, the challenge is more one of expanding and improving basic infrastructure, including cross border transport and communication links (5<sup>th</sup> Cohesion Report). However, conditions for TTC continue to evolve and policies have changed since 2007, so the project focuses on contemporary developments and what further changes and developments of the policy are desired.

Our project has four subordinate objectives, which are linked to the current policy debates and research hypothesis, see the chart below and Table 2-1. The 1<sup>st</sup> subordinate objective details the problem by investigating: a) concrete TTC types and b) corresponding to them types of development (we expect, that different types of TTC generate different outcomes, where some are economic, some other social, yet other environmental, etc.). The 2<sup>nd</sup> subordinate objective relates to the “a)” part of the 1<sup>st</sup> subordinate objective, i.e. TTC types, and investigate their adequacy in terms of areas and domains they cover. The 3<sup>rd</sup> subordinate objective, on the other hand, focuses on the “b)” part of the 1<sup>st</sup> subordinate objective, i.e. types of development, by analysing key factors of development related to each TTC. 4<sup>th</sup> subordinate objective is focused on the special key factor determining “TTC driven development”, which is the governance. Under this objective, the good practices will be presented in this respect.



**Table 2-1 Mapping policy and research questions and project objectives**

<b>SUBORDINATE OBJECTIVES are:</b>	<b>RESEARCH AND POLICY QUESTIONS</b>
<p><b>1. To estimate the impact that various types of TTC has on socio-economic development</b></p>	<p>1.1 Which types of TTC proved most relevant to boost economic growth, create new jobs, or improve the quality of life?</p> <p>1.2 Which type of TTC brings the highest value added? In other words, without which TTC type would certain goals not have been achieved at all or to the same scale, time, or quality?</p> <p>1.3 What factors explain the general and specific interrelationships between TTC and regional development (e.g., location, level and structure of development, governance system and performance and types of TTC in which they are active)?</p>
<p><b>2. To assess the adequacy of existing TTC <u>types</u> and <u>areas</u></b></p>	<p>2.1. To what extent do existing types of TTC address the real needs and challenges of the cooperating units?</p> <p>2.2 What is needed to assure that territorial cooperation better addresses the needs of cooperating units?</p> <p>2.3 Which areas and domains of cooperation are desirable, but underdeveloped within currently supported programs?</p>
<p><b>3. To identify key determinants of successful TTC<sup>2</sup></b></p>	<p>3.1 What are the key determinants of cooperation that bring development and value added at the same time?</p> <p>3.2 Which types and domains of TTC have the highest potential for cooperation in terms of developing and implementing shared strategies and contributing to territorial integration?</p> <p>3.3 What is the relationship between the different territorial TTCs and their intensity, scope and domains?</p> <p>3.4 What, if any, are the differences in successful cooperation with regards to New Member States vs Old Member States, supporting hard investments (e.g. infrastructure) vs soft measures (e.g. cultural exchange)?</p>
<p><b>4. To establish good practices of governance for successful TTC</b></p>	<p>4.1 To what extent do governance structures and institutional frameworks vs routines and day to day practices influence the cooperation at different TTC levels?</p>

<sup>2</sup> Successful TTC is defined as the one which bring socio-economic development

	<p>4.3 How different are governance structures (models) in INTERREG programs and other cooperation programs?</p> <p>4.4 What forms and structures of governance of TTC constitute 'good practice', in terms of their contribution to socio-economic development in different types of territorial situation?</p> <p>4.5 How to achieve/increase synergies between different types of TTC?</p>
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While the first three sets of questions are quite straight forward, the fourth set needs some definition with regard to what is considered as being a good practice. A **good practice** is an initiative (including methods, processes, activities, techniques, etc.) which has already proved successful and which has the potential to be transferred to a different geographic area. As such a good practice is the one which leads in effective way to delivering a positive outcome from territorial cooperation.

In order to answer above and many more related questions, we developed conceptual model based on literature and evaluations, and will carry out standardized electronic questionnaires (CAWI) as well as in-depth interviews (IDI) which are described in details in the following sections. All these working steps will be devoted to the testing of the following **main hypothesis**: *Transnational territorial cooperation (TTC) is one of the factors underpinning the socio-economic development of territorial units.*

## 2.2 Shaping of the territorial cooperation

### 2.2.1 Application of literature and other studies

Against the background of above hypothesis the literature review revealed the approach proposed by Henk van Houtum (2000) as being most interesting. He has identified three approaches to border studies in Europe: flow, people, and cross-border cooperation. The first two approaches have something to say about how borders mediate or hinder relationships between people, regions and organisations. These approaches focus more on borders, while the third approach relates more to cooperation.

In the flow approach borders are seen as severe barriers to economic integration, and this approach relates more to economic activity, economic development and transport costs rather than transnational cooperation of institutions. The people approach – both in its socio-psychological and sociological aspect – puts emphasis on the mental creation and symbolic shaping of borders by individual human beings – their thoughts, emotional reactions, mind-sets and feelings. Of course, these issues have great influence on transnational cooperation, but they are not directly related to the institutional cooperation investigated in our research.

Hence, in our project we decided to focus on the third approach (cross-border cooperation) because it covers in the broadest extent our research areas: networks, clusters, learning, different types of distance (not only economic, but also administrative, social, cultural) etc. with particular emphasis of the European context (Perkmann, 2003, Anderson et al., 2003, O'Dowd, 2002, Scott, 2002). This approach not only states that borders exist – as physical barriers (flow approach) and in people's minds (people approach) – but also tries to find ways (also in political terms) to overcome these barriers in the seemingly 'borderless' space of the European Union and stimulates cross-border development. Since the cross-border cooperation approach considers borders as barriers to success or a prosperous integration and harmonization process and searches for theories to understand the importance of cooperation between organizations and institutions in border regions, it is more useful for formulating conclusions for territorial EU policy (van Houtum, 2000).

Saying all that, we do not completely reject the other two approaches and we will be using some aspects of the flow and people approaches in our research, e.g. in our questionnaire we include questions about personal attitude to cooperation, etc., but the work will be centred around the last of these three approaches.

There is also a number of ESPON studies which we have found relevant for the analysis of transnational territorial cooperation. Their overall role and availability was described in the Inception Report. In this Report we go one step further, and include a summary of other ESPON projects with reference to the particular Workpackages of TERCO to show how we intend to use them in practice (see Annex 6.7). Besides we also monitor INTERACT studies and also other INTERACT sources, like the seminars, as they provide good and up to date information. Project will keep track of them in the course of further working steps. Also the KEEP database appears to be useful, however, it has not been available when the office was contacted – we will keep track of further information about its completion and content.

### **2.2.2 Policy relevance**

Over the last decade quite a number of policy documents have been developed which discuss the role of territorial approaches to influence regional development (e.g. The Territorial Agenda of the EU, Leipzig Charter, etc.). This discussion has lately been intensified by several initiatives, which not only again point out the role of territorial policy approaches but also refer to the need for evidenced policy making. In the following we discuss these latter documents and initiatives in relation to the analysis of transnational territorial cooperation in order to prepare a foundation for later policy option development.

As a result of the Territorial Agenda of the EU and in connection with the corresponding Action Program, the former INTERREG initiatives were mainstreamed into the Structural Funds objectives and Territorial Cooperation became the third objective under the current Structural Funds programming period. The new regulations support the concentration of current territorial cooperation programs on themes closely linked to the Lisbon and Gothenburg Agendas in order to increase the competitiveness of the European territory. Another effect was the creation of a new cooperation instrument: the European Grouping of



Territorial Cooperation (EGTC). It offers regional and local authorities the option to create a legal personality grouping, thereby alleviating the problems which result of different legal systems on either side of the border. Furthermore, the objectives of the Lisbon Treaty are strongly connected with our project's tasks not only because the objective of territorial cohesion was taken on board but because it points out once and again that the cooperation between the Member States as well as between the Member States and neighbouring countries is of uppermost importance to contribute to the set objectives.

The 5<sup>th</sup> Cohesion Report, published a couple of months ago, also not only stresses the need for cross-border and transnational cooperation but points out the need to differentiate between internal and external borders as these border regions face different challenges. But also cooperation has to be differentiated between EU15 and EU12 regions and should be more strongly focused on regional circumstances. Therefore, different cooperation contents and approaches need to be applied and territorial cooperation will benefit from improved, clearer and realistic goal setting (CEC, 2010a). These needs had previously been pointed out by the Barca's Report (Barca, 2009), since it stressed not only the difficulties to measure verifiable outputs from territorial cooperation but also pointed out the value many projects have in terms of more qualitative effects, such as to overcome institutional barriers, mobilising financial resources, stimulating exchanges, developing new relationships and facilitate transfer of policies. At the same time the report stressed the need to focus more on verifiable activities.

The Europe 2020 strategy is linked to transnational territorial cooperation especially through its third objective aiming at inclusive growth and thereby contributing to the objective of territorial cohesion (CEC, 2010b). The Green Paper on Territorial Cohesion deals more specifically with the territorial cohesion objective also from the perspective of territorial cooperation. It points out several themes and fields of activity which can only be tackled by means of cooperation at different territorial levels and across borders. Examples are of connectivity and concentration as well as various environmental problems related to climate change, flooding, biodiversity loss, pollution or commuting (CEC, 2008).

Finally, the project will keep further track of current policy developments, especially since further initiatives with the Hungarian and the forthcoming Polish EU presidencies are under way in relation to an update of the Territorial Agenda and its implementation.

Summarising with regards to future policy development especially the following issues will have to be kept in mind:

- Regional circumstances matter for transnational territorial cooperation – not only but also differentiating between different types of borders.
- Effective and efficient use of resources for transnational territorial cooperation shall be ensured – this calls for
  - o focused, precise and realistic policy options,
  - o the identification of the critical barriers for border regions,

- the use of the most appropriate territorial level depending on the issue to be tackled..
- Transnational territorial cooperation oriented policy options shall aim to implement inclusive growth to support territorial cohesion.

### 2.2.3 Determinants of territorial cooperation

Territorial cooperation differs considerably in terms of its rationales, forms and focuses. Broadly, territorial cooperation creates fields for functional cooperation in the areas of competence of the territorial units and is seen as pragmatic cooperation that is oriented towards problem-solving (Schmitt–Egner, 2005). The territories involved seek to solve common problems, exploit development potentials jointly and to strengthen their position nationally and internationally. However, the ways in which territories pursue these goals and how they organise cooperation varies according to differing development paths in different contexts and needs.

In North America, cooperation has developed around pragmatic issues, such as economic interdependence or environmental concerns, and it generally maintains separate bodies for dealing with specific issues (OECD 2003). In the Pan Yellow Sea Region, covering the coast of northern China, south-west Japan and western and southern Korea, regional linkages have been strongly driven by the private sector, which has established intensive manufacturing links.

In the EU, given the high-level of political integration amongst the Member States and large number of relatively small countries, numerous rules and structures have accumulated to guide and support territorial cooperation. In this context, territorial cooperation is commonly linked to ‘top-down’ policy initiatives, most notably INTERREG. Yet at the same time, local and regional authorities are active partners in driving in bottom-up initiatives for greater cooperation (Vion, 2002 and Clarke, 2010).

As these examples highlight, territorial cooperation can be very different in different places, such variations are commonly linked to the background conditions that shape and drive cooperation. For instance, ESPON project 2.3.2. (2006) refers to the role of ‘territorial capital’, including: 1) intellectual capital (socially constructed knowledge resources); 2) social capital (nature of relations among actors); 3) political capital (power relations and the capacity to mobilise other resources to take action); 4) material capital (financial and other tangible resources, including fixed assets and infrastructure); 5) cultural capital (material and immaterial heritage); and 6) geographical capital (natural features, constraints/opportunities).

Based on an extensive literature review Workpackage 2.1 identified seven background conditions that shape cooperation.

1) **History:** Past experiences have a crucial influence on the cooperative environment. For instance, for the 2000-06 INTERREG programmes, the ‘maturity’ of previous cooperation

(quality of legal framework and of established cooperation structures) was found to enhance the quality of cooperation, although it was not a guarantee of intensive cooperation (Panteia, 2010, p. 13). There are many positive examples of Western European partnerships with their long history of post-war reconciliation and cooperation. In Central and Eastern Europe, the Iron Curtain largely halted such endeavours. This is problematic because, in general, the longer the experience with territorial cooperation, the more smoothly cooperative initiatives tend to run (Taylor et al., 2004).

2) **Geographic conditions:** Apart from physical distance, geographic conditions affecting territorial cooperation include barriers such as rivers or mountain ranges. Weak communications and transport infrastructure can also be problematic. A further problem at the external borders of the EU includes the bottlenecks caused by the Schengen border and the border of the European customs union. Conversely, 'permeable' borders with good physical and institutional links tend to be favourable for cooperation.

3) **Socio-economic background:** Socio-economic background includes the level of development (GDP, unemployment rate, diversification etc.), discrepancies in development between the cooperating regions as well as competition between these regions. Between territories with shared, or similar, socio-economic backgrounds, common development challenges and goals offer platforms for territorial cooperation. However, competition for investment and resources between similar territories may inhibit cooperation efforts. In cross-border regions, asymmetries in development tend to make programmes more dynamic (Taylor et al., 2004). At the same time, they can also give rise to mutual suspicions between the populations. Additionally, an absence of links between socio-economic actors in the participating cities, regions or states, as well as compartmentalised markets, tends to inhibit cooperation (Krätke, 1999).

4) **Culture:** The broad heading of culture refers to the way that individuals, cities and regions from different countries relate to each other, e.g. language barriers are often identified as one of the most important barriers. Also, psychological barriers limit cooperation such as negative stereotypes and reservations among populations and political leaderships (Bazin, 2003). Administrative culture also needs to be taken into account when discussing territorial cooperation and its implementation. There are as many organisational and management styles as there are instances of cooperation (Hofstede, 2001, Ratti, 1993a). For instance, in the field of spatial planning the allocation of planning powers differs from country to country and also the 'style of planning' is different (ESPO 2.3.2, 2006). It has been argued that cooperation is most likely to be successful between partners that share a similar administrative culture (Taylor et al., 2004). Administrative obstacles include: insufficient resources allocated to cooperation, deficient relations between administrative institutions, and different administrative levels (Assembly of European Regions, 1992).

5) **Regional and local self-government:** While it is not certain that the position of local and regional actors influences the success of territorial cooperation, it has been hypothesised that experienced, dynamic and well-positioned regional and local actors are in

a better position to progress their objectives (Bachtler et al., 2005). In cooperation between regions of different states, problems often result from differences in administrative structures and subnational competences that hinder coordination (Assembly of European Regions, 1992).

6) **Legal background:** Territorial cooperation often takes place on an uncertain or vaguely defined legal basis. As most cooperation initiatives have no legal personality and no public law status, they sometimes lack the legal instruments to implement decisions (Assembly of European Regions, 1992). For example, decisions of cooperating bodies may have no legal force because national rules define cooperation as foreign relations. However, the European Grouping for Territorial Cooperation (EGTC), introduced in 2007, is particularly important in putting territorial cooperation on a legal footing by giving an EGTC legal personality.

7) **Funding:** Insufficient financial resources are a major obstacle to territorial cooperation. There are often no genuinely common resources, making it difficult and time-consuming to take budgetary decisions (Assembly of European Regions, 1992). Meanwhile, EU-funded territorial cooperation, which is comparatively well-funded, is associated with considerable bureaucratic effort and costs involved in implementing the programmes.

The OECD makes similar observations highlighting key factors that are central to the successful development of cooperative activities as: a culture of cooperation (intention to engage in co-operation and ease of co-operation); a sense of common identity; support from national government; a legal framework; and financial aspects (McMaster 2011, OECD 2006; OECD, 2010). OECD reports (2006, 2010) argue that of these, a culture of co-operation is the foundation of co-operation. If a culture of cooperation exists, this can be supported by an appropriate governance structures and financial resources.

- A prevailing culture of cooperation provides an invaluable basis for cooperation. Cooperation across national borders is not only the technical inter-linkage of two or more different systems of governance. It also has to bring together different people and social systems with differing value systems. Therefore, the culture of cooperation that exists (or may emerge) is decisive for the future of the cooperation arrangement. There has to be a will to engage in cooperation. A related issue is how easy it is to co-operate? Language problems or different standards in culture, politics, etc., can provoke long delays in the administration and implementation of technical questions and cause frustration among cooperating actor (OECD 2006).

- A sense of common identity is an important precondition for any territorial cooperation. This identity can involve physical/material interdependency (e.g. economic and environmental), or a regional identity based on historical and cultural factors. It often happens that a cooperative activity starts based on physical interdependency, but a regional identity later develops, or vice versa. Both factors influence each other in the process of

strengthening a shared sense of common destiny, which leads to more effective cooperation (OECD 2010).

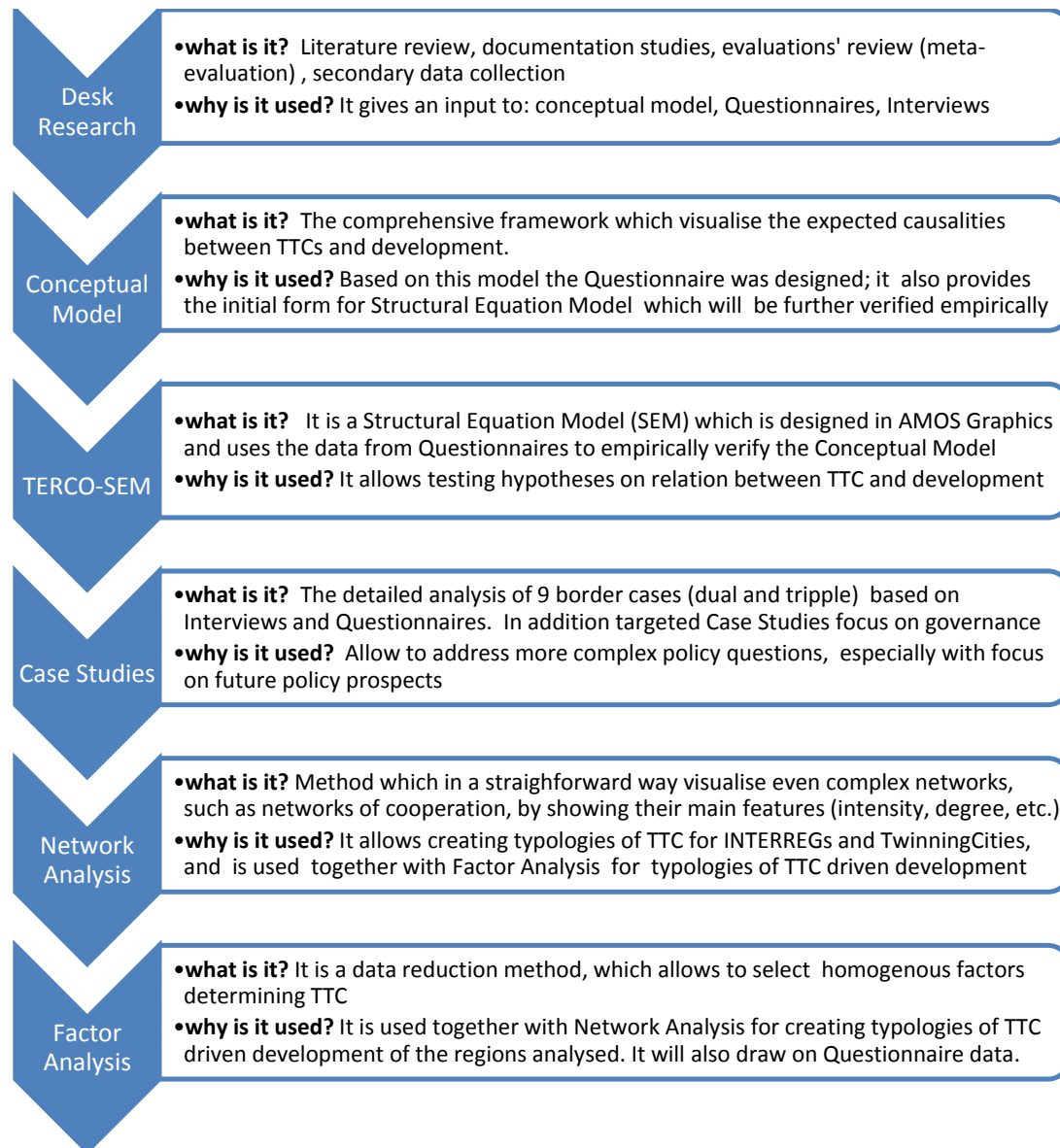
- National or supra-national governments play a leading role in establishing many forms territorial cooperation. This implies that the positive involvement of higher level governments is important, especially when establishing new cooperation arrangements. National government is commonly needed to legitimise and facilitate co-operation (Blatter, 2003; Thant, 2007). National government can: i) remove barriers to integration; ii) mediate the different interests of national and sub-regional governments; and iii) provide an enabling environment, for example by providing financial incentives and framing “meta-governance”.
- Establishing a system of governance to coordinate and manage cooperation means institutionalising one set of cooperation agreements across several different jurisdictional systems. If differences prove substantial, they can be bridged with the help of bi- or multi-lateral agreements. Though informal relationships ensure flexibility, institutionalisation brings temporal stability to cooperation arrangements.
- Incentives commonly have to be provided to enhance cooperation. The ambition of funds trying to address this problem is to initiate economic activities (including a reasonable return of investment) OECD (2006).

As the preceding review suggests, as well as well documented factors such as historical and geographic factors, institutional frameworks and governance issues are capable of exerting a strong influence on the extent, form, direction, and impacts of territorial cooperation. For instance, ESPON 2.3.2’s analysis highlights the influence of existing governance structures on cooperation between metropolitan areas. In particular, the project focuses on the impact of decision-making processes and relationships between ‘multi-level’/vertical organisation and ‘multi-channel’/horizontal actors, such as the public sector, civil society, experts, and the private sector. Both external institutional frameworks and conditions, and the governance of the cooperation itself can act as significant barriers to, or drivers, of successful territorial cooperation.

### **2.3 Conceptual model of TTC**

Based on the project’s literature review and the findings described in the preceding sections, we propose a conceptual model of territorial cooperation called TERCO-SEM. It is worth mentioning that so far there was no concise model of this type, which attempts to put into a one framework all the factors shaping territorial cooperation and assesses their relative importance in terms of producing positive outcomes from the cooperation. The TERCO-SEM model is depicted in Figure 2-1.

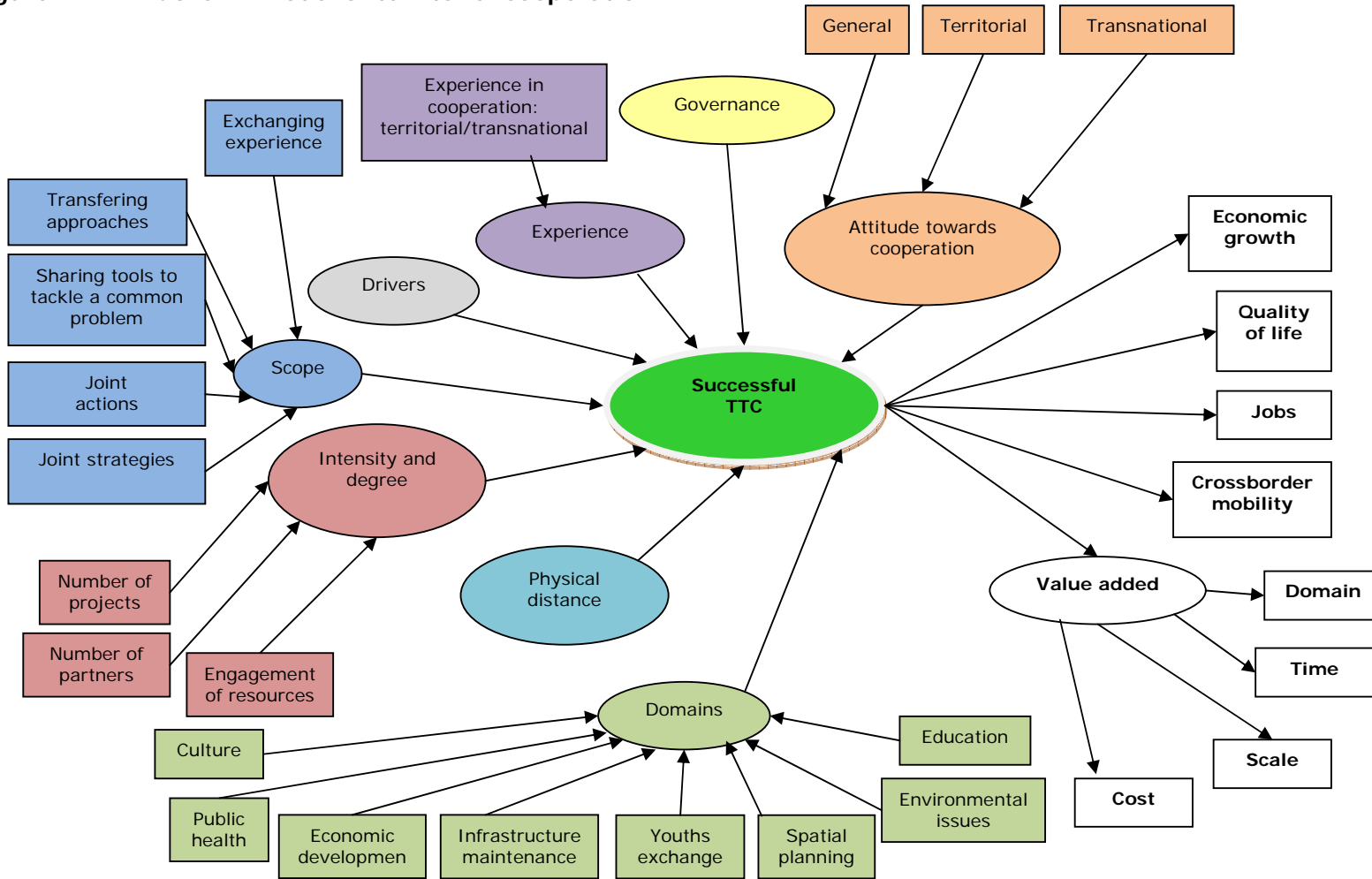
Before we analyse this model it is worth presenting this method as a part of total set of all methods used in the Project – see chart below. Those methods were described in more details in the Inception Report.

**Chart 2-1: Concise presentation of all methods used in the Project**

As for the Conceptual Model (Figure 2-1.) the left hand side of it sets out factors influencing territorial cooperation. The right hand side sets out indicators measuring the outcomes of the cooperation. In the centre is the construct “successful cooperation<sup>3</sup>”, which is determined by the factors influencing territorial cooperation (on the left-side of the model), and results in the positive outcomes (listed on the right hand of the model). Causality is depicted by arrows. Hence all the constructs on the left hand side, such as governance, experience, drivers, scope, etc. have arrows directed towards ‘successful cooperation’, as they determine whether it takes place. The opposite is the case with such constructs as economic growth, quality of life, jobs, value added, etc.

<sup>3</sup> Successful cooperation is defined as the one which bring socio-economic development

Figure 2-1 TERCO-SEM model of territorial cooperation



Source: Authors' proposition

In this case, the arrows are directed from successful cooperation towards, as they are results of TTC. In addition to the 'success of cooperation' is the value added of TTC, which can manifest itself in terms of: i) new domains of territorial activities (which would not be possible without TTC), ii) saved time on achieving territorial goals (due to TTC), iii) achieving higher scale of investments in territorial development (due to TTC), and iv) significantly lowering the costs of achieving territorial development, which otherwise would be so high that certain goals may not be achieved due to lack of financing. Each construct is measured by set of variables which are formulated as specific questions in the TERCO standardised electronic questionnaire (CAWI), described in Section 2.5.1. The rationale for questions posed in the questionnaire is rooted in the project's literature review and other empirical studies. For example, construct named "Scope"<sup>4</sup> is based on study by Colomb (2007). It is assessed on a 5-level scale where the lowest 'scope' of cooperation is "exchanging experience" followed by "transferring different approaches to tackle a common problem", "sharing tools and resources to tackle a common problem", "jointly implementing common actions", and finally "jointly implementing spatial strategy". Hence, in relation to each category there are specific questions in the TERCO standardised electronic questionnaire (CAWI), as presented in Annex 6.1.

### 2.3.1 Structural Equation Modelling

The project also aims to assess this model empirically, as a typical Structural Equation Model (SEM). SEM is a powerful statistical technique for testing and estimating causal relations between latent (not-directly observable) variables called 'constructs' (i.e. the oval figures in our model). Such a model is tested using the questionnaire data to determine how well a model fits the reality and statistically estimates the strength of the links and causalities. The causal assumptions embedded in the model often have 'falsifiable' implications, which can be tested against the data. Technically, SEM estimates a series of separate, but interdependent, multiple regression equations simultaneously as specified in the structural model. SEM's strength is that it allows for testing hypotheses. In our representation of the TERCO-SEM model, depicted in Figure 2.1, it is possible to test such hypotheses as: H1: Higher "scope" of territorial cooperation results in more "successful cooperation" manifested by higher "economic growth", or H2: Cooperation within "domain infrastructure" contributes the most to the "successful cooperation" manifested in the highest "value added".

However, it has to be remembered that the ability to test the model empirically depends primarily on the quality of data. The following conditions have to be satisfied in order to make the model work:

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<sup>4</sup> Actually Colomb (2007) seems to use the world "scope" and "level" interchangeably. Hence, we decided to use the notion of "scope" because level of cooperation used later in the Network Analysis is defined differently, so we wanted to avoid inconsistency and misunderstandings.



- 1) Large and homogenous sample. SEM requires large number of observations to start running and they have to be homogenous, which means that the set of data for each type of TTC has to be large. In practice, there is no exact threshold under which the software (AMOS) cannot be applied. However, a general rule is that the size of sample should be 20 times larger than the number of measured variables in the model. For the purposes of this project, the data need to be gathered for each TTC type. So we would need above 600 answers for each variable in questionnaire for each TTC to successfully apply the model.
- 2) Normal distribution of variables. In order to have appropriate estimations of relations between the variables and to test hypothesis, we need a normal distribution of the answers, because all the estimators and statistics are asymptotically unbiased.
- 3) No missing data points. The model is sensitive to missing observations. It means that the questionnaires with blanks under some questions have to be deleted from the sample.

The project aims to apply the SEM approach to all the data collected by CAWI. However at this stage, taking into account the issues raised above, we are not sure if its quality and quantity will be good enough to provide the empirical estimates of the model. Though, in order to assure the highest possible quality and amount of data, we will, whenever possible, assist the respondents in filling in applications. If the data is still not sufficient for robust empirical estimations, we will use the model and the data for simpler, partial statistical descriptions. Thus, instead of testing the whole model at once we will test the parts of it separately. For this work, regressions and descriptive statistics will be used. Hence, the project will still be able to reveal the patterns and 'stories' behind the model, which will be informative and offer a good foundation for the future studies.

## 2.4 Types of transnational territorial cooperation (TTC)

As previously mentioned, the project investigates 5 types of territorial cooperation arrangements, all of which go beyond national boundaries and, for the purposes of this project are termed Transnational Territorial Cooperations (TTCs). Each type is distinguished mainly by two criteria: i) the level of territorial unit involved and ii) relative location of the cooperating units.

The first type of TTC is **TwinningCity cooperation**. In terms of the level of the cooperating units, they are either towns/cities or communes and their location is usually geographically distant. What is important is that this type of cooperation is based on twinning agreements. The project recognises that there is a difference between the cross-border cities such as Zgorzelec (Poland) and Görlitz (Germany) which are basically one city divided in two by a political boundary, and cities such as London and Berlin which have signed mutual twinning agreement. However, for the purposes of this project, every arrangement of cooperation

based on twinning agreement between the cities is classified as TwinningCity cooperation. At the same time, the analyses will have to differentiate between the neighbouring and distant twinning cities in order to take account of the different motivations etc. the agreements have. Thus, this type of TTC is made up of two sub-types.

The second type of cooperation is **cross-border cooperation**. This cooperation requires the involvement of larger administrative units, such as NUTS 3 regions, and that are neighbour to each other across a national border. This type of cooperation is commonly supported by INTERREG A. However, the project wants to look beyond INTERREG and investigate other types of agreements/policies or other formal support that exists between NUTS 3 regions along a common border.

The third type of cooperation is named **interregional cooperation**. According to this project's definition, such cooperation requires the involvement of NUTS 2 regions located in different countries, and which are not directly neighbouring across the border. An example of this type of cooperation strand C of the INTERREG program. However, again, the project's definition will not be limited to INTERREG, as it aims to investigate other examples of cooperation between the regions, based on other programs and agreements, beyond the European Territorial Cooperation umbrella.

The next category of cooperation is **macro-regional cooperation**. What is meant by this is: NUTS 2 regions cooperating within close proximity to each other within boundaries of some larger geographical macro-region. Under this type of cooperation are INTERREG B "transnational co-operation programmes", which cover larger areas of co-operation such as the Baltic Sea, Alpine, Mediterranean region and Danube basin. However, the project intentionally avoided giving this type of cooperation the name "transnational co-operation". According to common understandings and typical dictionary definition "transnational" is any cooperation which goes beyond national boundaries. So the project proposes to use the term in a sense closer to the actual meaning of this cooperation, which is "macro-regional cooperation" - because it is closer to definition of macro-region, which is an "area including territories from a number of different countries or regions associated with one or more common features or challenges" (DG Regio, 2009).

The final category is **transcontinental cooperation**. Here the project focuses on investigating regions and/or cities (NUTS3, NUTS2, LAU2 or equivalent) undertaking cooperation with units located on other continents. In this project, such cooperation includes, in particular cooperation, between the EU regions and North Africa and Latin America.

It should be noted that there is very limited overlap between these categories, This is because each combination of territorial unit and the proximity between cooperating units is distinctive, see Table 2-2 below.

Each of the five types of TTCs represents different levels of units and different location/proximity to cooperation units. INTERREG programs fall across three types of TTCs. However, they are not exclusive types of cooperation within those categories. For example cross-border regions may have additional, other types of programs. We will ask in

questionnaires about the past cooperation, e.g. to see if INTERREG programme may have ‘crowded out’ previously well-established forms of cooperation. Similarly, despite existing programs for the Baltic, Danube, Alpine areas macro-regions, the project may identify some new ways of cooperation and solving problems of certain territories involving regions from different countries. We also investigate EGTCs (see detailed description in Section 3.2.2 and 3.2.3).

**Table 2-2 Five types of TTCs according to distinctive criteria**

Type of TTC	Units (NUTS or equivalent)	Proximity			Coverage
		Close (neighbouring)	Distant in Europe	Distant out of Europe	
TwiningCity	<b>Cities or counmunes</b> (always with twinning agreement)	Yes*	Yes	-	Europe
Cross-border (e.g. Interreg A)	<b>NUTS 3</b>	Yes	-	-	Internal and external European borders
Interregional (e.g. Interreg C)	<b>NUTS 2</b>	-	Yes	-	Europe
Macro-regional (e.g. Interreg B)	<b>NUTS 2</b>	Yes, i.e. within macro-region			Europe
Trans-continental	Respective units <b>(NUTS2,3, LAU 2)</b>			Yes	North Africa and South America

\* only if they have twinning agreements

## 2.5 Case Studies

The main goals of the Case Studies (CS) are threefold:

- 1) to examine the differences in operationalisation and effectiveness of various TTCs in various geographical contexts;
- 2) to provide data for estimation of TERCO-SEM model of TTC; and
- 3) to investigate future options for the Cohesion Policy based on lessons learnt on what works well/ went wrong,

The proposed case studies’ areas capture all possible combinations of “new” (EU12) and “old” (EU25) Member States, as well as cooperation between the Member States and the external neighbours. They also include cooperation over land and sea of European and the transcontinental borders. The finally selected combination of case study countries and regions optimises the inclusion of all different territorial constellations of TTC, especially by not only conducting case studies across two countries but also by purposely including triads

of cooperation. In particular, there are 9 Case Studies consisting of combination of the following 19 countries: Poland (PL), Czech Republic (CZ), Slovakia (SK), Germany (DE), Bulgaria (BUL), Greece (GR), United Kingdom (UK), Sweden (SWE), Belgium (BE), France (FR), Ukraine (UA), Turkey (TUR), Norway (NO), Finland (FIN), Russia (RUS), Spain (SP), Morocco (MOR) and two countries in Latin America (LAT.A.): Argentina and Uruguay - see Table 2-3.

**Table 2-3 Countries selected for Case Studies**

BORDER/ MEMBER STATE	New- New	New-Old	Old-Old
INTERNAL	PL-CZ PL-SK	PL-DE CZ-DE BUL-GR	UK-SWE BE-FR
EXTERNAL	PL-UA SK –UA BUL-TUR		GR-TUR UK-NO FIN-RUS SP-LAT. A. SP-MOR
	New		Old

The three sets of case studies are of special interest – the “triangles” embracing Polish-Czech and German regions, Polish-Slovak and Ukrainian regions, and Greek-Bulgarian and Turkish regions. These “triangles” will allow the project to capture cooperation across two borders for each of the region, and to compare the intensity of cooperation in these areas.

The case studies will enable the project to assess the role of the EU membership in territorial transnational cooperation. The research will examine, for example, whether in the New Member States EU membership and the introduction of the Schengen agreement has intensified this cooperation in comparison to the pre-accession period. If yes – has this cooperation become similar to the traditionally established patterns between the “old” Members States? Or has this cooperation been hampered by the enlargements, as it could be the case after Poland and Slovakia adopted the Schengen agreement, which could have affected links with Ukraine? Additionally, the role of transport connectivity across the borders will be examined. In this case, the Greek-Bulgarian case– where border crossings are scarce - will be of special interest.

As has been described, the selection of countries for the case studies has favourable features in terms of geographic coverage, choice of interesting/novel cases. It also balances the number of internal vs external border case studies, including maritime border areas. First, the selected regions come from the South, West, North, East and Centre of the EU. Such diversity allows for a range of different contexts of the cooperation to be examined, i.e. social, economic, cultural, historical, and political. Second, the cases were identified based

on some particularly interesting and specific features of the countries in question. For example Russian-Finnish border is specific due to low population density in that area. The Polish-Ukrainian border is a 'new' EU border, while the Polish-German border is the 'old' EU border. Cooperation between the UK and Sweden is interesting, especially when comparing it to cooperation with Norway, because the distance is similar but the former is an EU country and the latter is not. Another particularly interesting case is Turkey-Greece. There is not yet any type of formal territorial cross-border cooperation between the two countries under INTERREG A. However, the following issues mean the case is particularly challenging and interesting: (i) existence of strong cultural connections between the two specific areas; (ii) completion of major transport infrastructures (e.g. Egnatia odos) connecting the two countries, over recent years; (iii) the increasing volume in trade, investment and tourist flows, and (iv) the existence of a substantial Muslim minority on the Greek side.

The selection of the Case Studies offers a balance between the number of internal EU borders (7) vs external ones (8). Finally, since the TERCO project aims to look beyond structural policy, it also examines also other formal agreements for cooperation, which have been adopted by EU members. The Spain-Morocco and Spain-Latin America case studies enable the project to compare some cooperation within the framework of EU policy versus other transnational initiatives. In the case of Spain-Morocco, cooperation covers countries with different cultures; there is also matter of legal and illegal migration from Africa to Europe which is forcing additional cooperation between authorities. Connections between Spain and Latin American countries have long traditions and, therefore, offer the project an opportunity to study how this situation has influenced cooperation structures.

Within the selected countries we delimited NUTS 2 and NUTS 3 areas which will be examined. They are listed in Table 2-4 and depicted on maps from Map 2.1. - Map 2.9. The areas in question show large differences across the borders, which creates a large potential for cooperation. However, whether cooperation opportunities are fully exploited is an issue this project will assess. Detailed descriptions of all the NUTS2 and NUTS3 areas covered by the case studies are provided in Annex 6.3.

The case studies will be investigated with the use of two main methods: standardised electronic questionnaire (CAWI) and in-depth interview (IDI). The standardised questionnaire directed to the municipalities will be conducted in the entire NUTS 2 regions embraced by the case studies. This will allow for an estimate of the 'geographical penetration' of cross-border contacts (with a hypothesis that it is limited to a relatively narrow belt along the borders). The in-depth interviews will be conducted mainly in the localities of respective NUTS 3 regions, and with other actors most active in a range of forms of transnational territorial cooperation in addition to cross-border cooperation (detailed description of the CAWI and IDI is in provided in the following section).

It has to be stressed that although the case study areas are located on the borders (EU external and internal ones), they will not be examined solely from the point of view of the

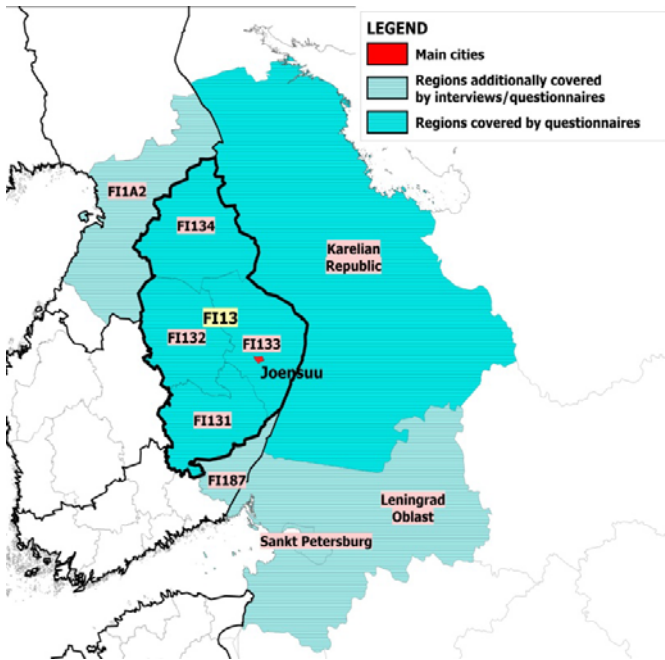
cross-border cooperation. In-depth interviews will embrace other forms of transnational territorial cooperation as well.

It is also envisaged that standardised questionnaires may be applied to other territories involved in cooperation, in addition to the regions involved in the abovementioned countries. This would be the case, if based on statistical and Network analyses we conclude that some regions in countries of our CS are especially interesting. Then the CAWI can be sent there, and if they are non border regions then the sections on INTERREG A will be removed.

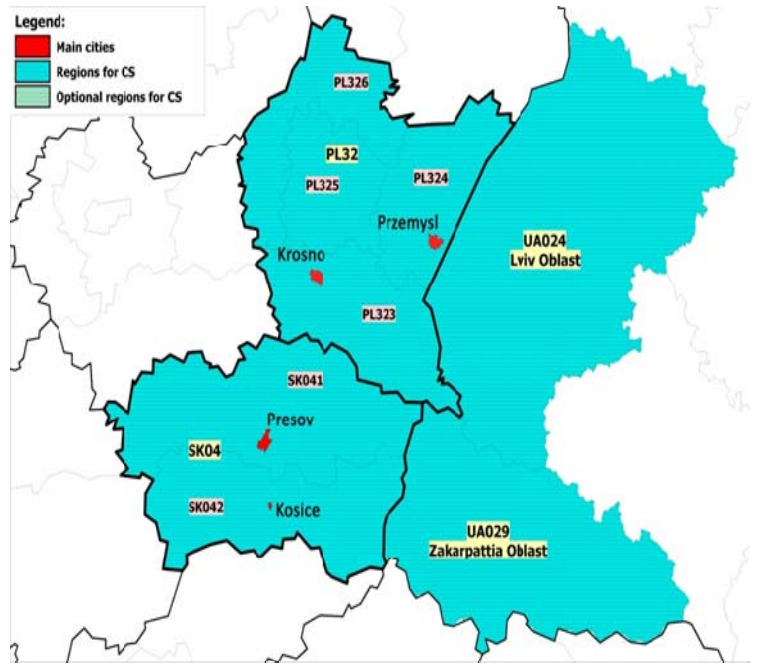
**Table 2-4 Delimitation of NUTS2 and NUTS 3 regions**

<b>Border area</b>	<b>NUTS3 regions included</b>
<b>FR/BE</b>	<b>FR301, FR302(optional)</b> <b>BE252, BE253, BE254, BE258, BE321, BE323, BE324, BE326, BE327,</b> BE251(optional), BE255(optional), BE256(optional), BE257(optional), BE322(optional), BE325(optional)
<b>FI/RU</b>	<b>FI131, FI132, FI133, FI134, FI187(optional), FI1A2(optional)</b> <b>Karelian Republic, St. Petersburg (optional), Leningrad Oblast'(optional)</b>
<b>PL/UA/SK</b>	<b>PL323, PL324, PL325, PL326</b> <b>Lviv Oblast, Zakarpattia Oblast</b> <b>SK041, SK042</b>
<b>PL/DE/CZ</b>	<b>PL514, PL515, PL516, PL517, PL518</b> <b>CZ051, CZ052, CZ053, CZ042, CZ041(optional)</b> <b>DED21, DED2A, DED2B, DED22, DED23, DED24, DED25, DED26, DED27,</b> <b>DED28, DED29</b>
<b>GR/TR/BG</b>	<b>GR111, GR112, GR113, GR114, GR115, GR122, GR126</b> <b>TR211, TR212, TR213</b> <b>BG413, BG422, BG424, BG425,</b>
<b>UK/SE/NO</b>	<b>UKM21, UKM22, UKM23, UKM24, UKM25, UKM26, UKM27, UKM28,</b> <b>UKM31, UKM32, UKM33, UKM34, UKM35, UKM36, UKM37, UKM38,</b> <b>UKM50, UKM61, UKM62, UKM63, UKM64, UKM65, UKM66</b> <b>SE110, SE224, SE231, SE232, SE311, SE312, SE313, SE321, SE322, SE331,</b> <b>SE332</b> <b>NO011, NO012, NO031, NO032, NO033, NO034, NO042, NO043, NO051,</b> <b>NO052, NO053, NO061, NO062, NO071, NO072, NO073</b>
<b>ES/MA</b>	<b>ES612, ES611, ES613, ES614, ES615, ES616, ES617, ES618, ES630, ES640,</b> <b>Tetouan-Tanger, Gharb-Chrarda-Beni Hssen, Taza-Al Hoceima-Taountate</b>
<b>EU (ES)/S. Am.</b>	<b>ES70 (esp. ES709); Canelones (UY)</b> <b>ES51; Canelones (UY)</b> <b>ES51; Rosario (AR)</b> <b>ES21; Rosario (AR)</b>

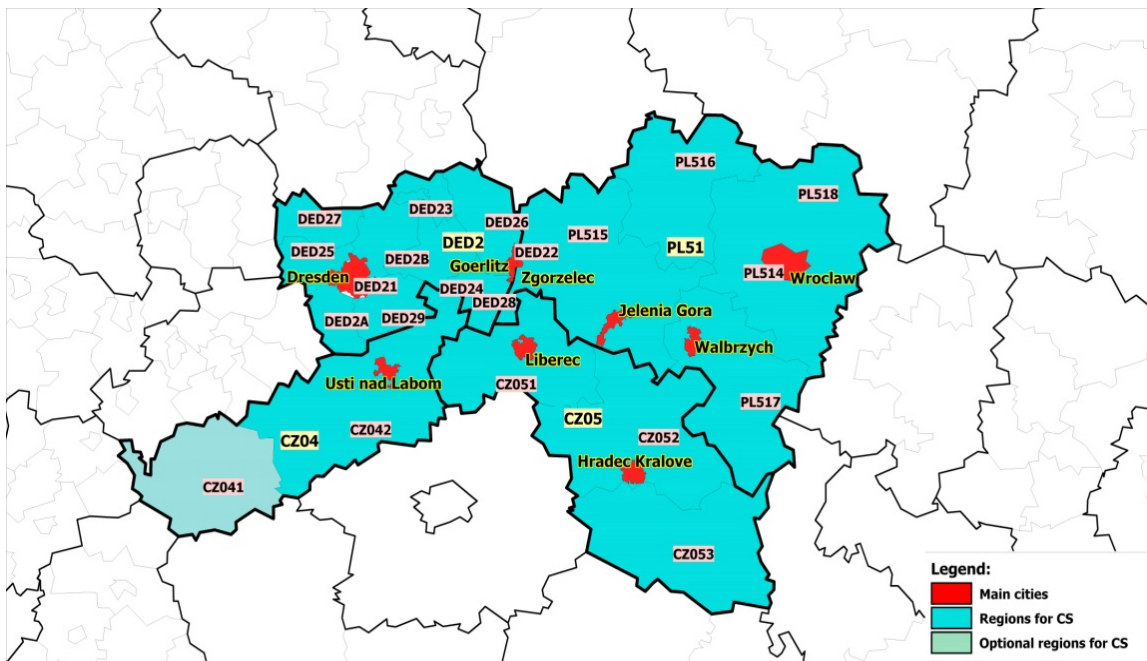
Map 2-1 Case Study: Finland – Russian Federation



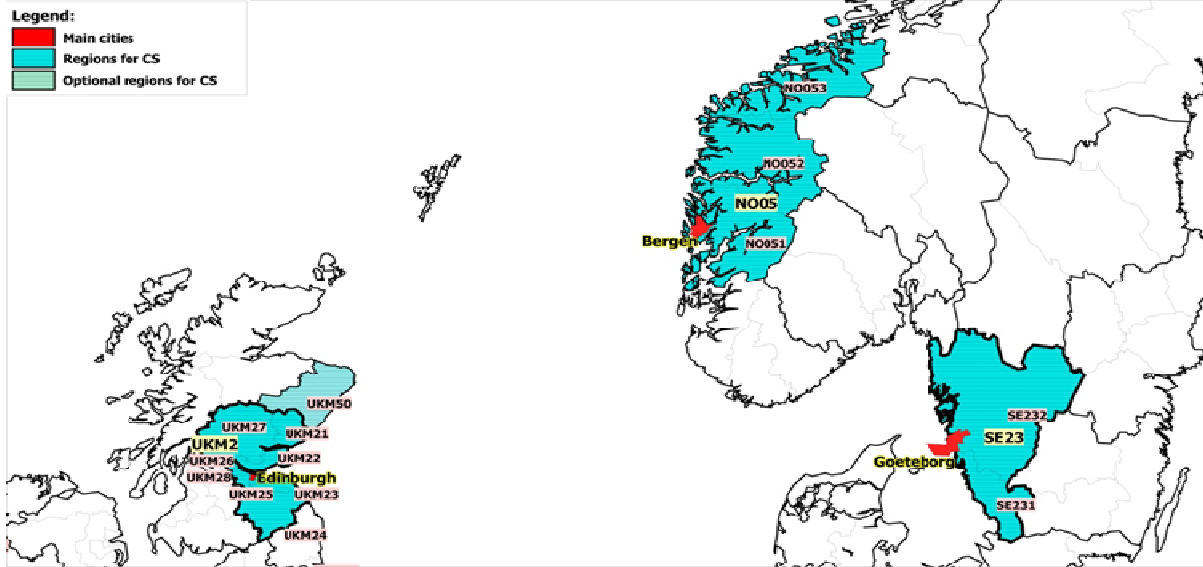
Map 2-2 Case Study: Poland-Slovakia-Ukraine



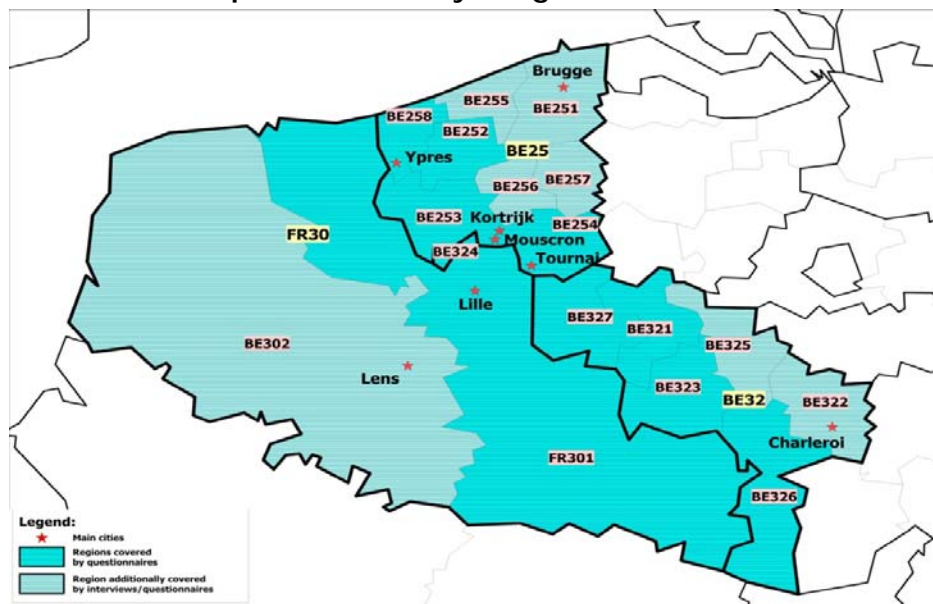
Map 2-3 Case Study: Poland-Germany-Czech Republic



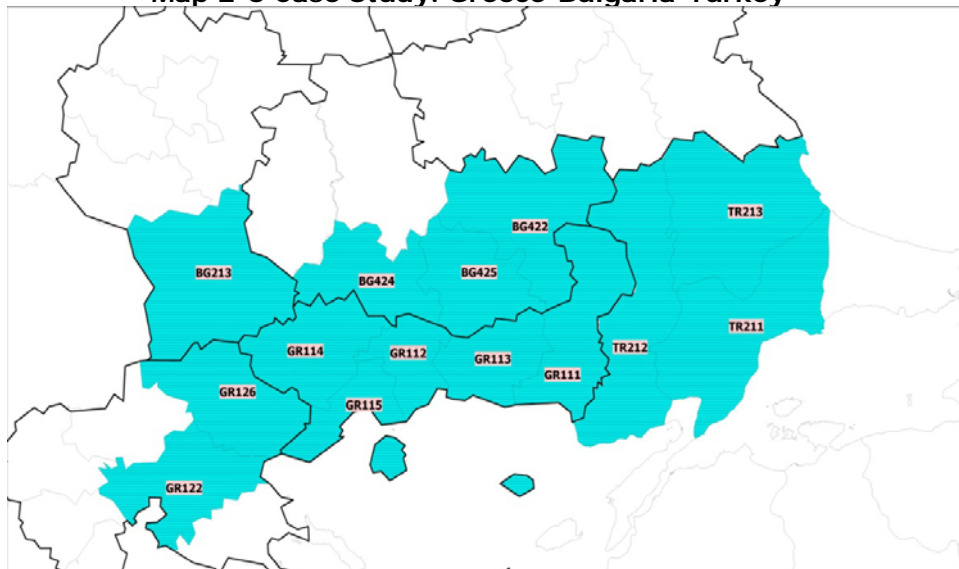
Map 2-4 Case Study: Scotland-Norway-Sweden



Map 2-5 Case Study: Belgium-France



Map 2-6 Case Study: Greece-Bulgaria-Turkey





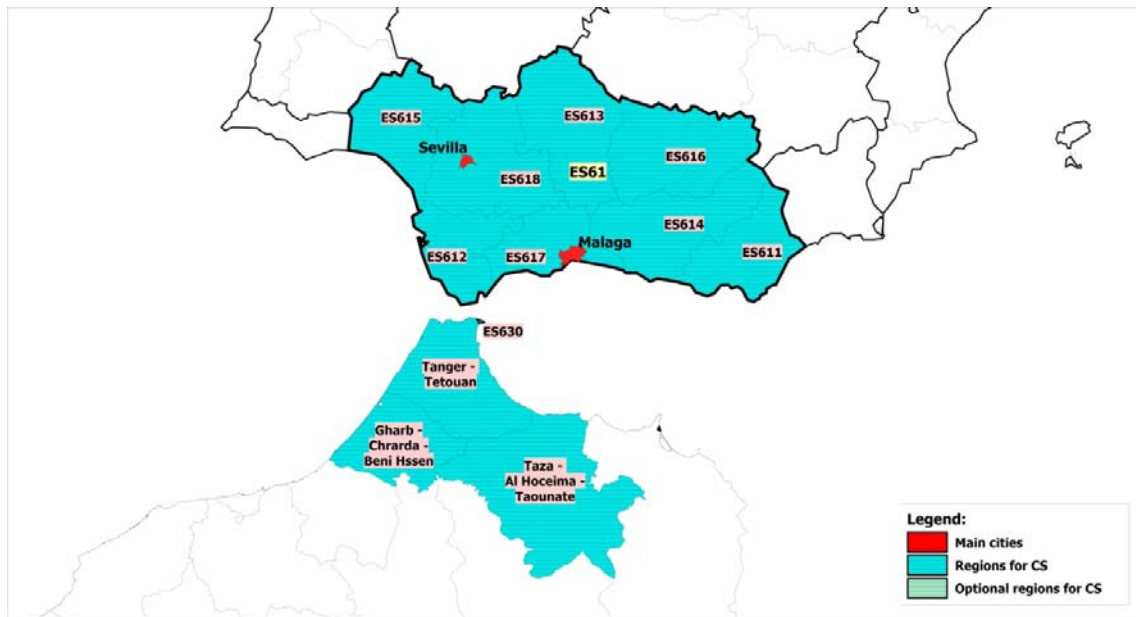
**Map 2-7 Case Study: Spain-Argentina**



**Map 2-8 Case Study: Spain-Uruguay**



**Map 2-9 Case Study: Spain-Morocco**



Case studies are used in two of the project's Workpackages. In WP 2.5, the project focuses on what TTC does, what it targets, what are the main drivers and outcomes of various types of TTC. WP 2.6 focuses on how territorial cooperation is operationalised, how does it work and how is it managed. As these issues are linked, WP 2.5 and WP 2.6 case studies have the same core selection of the Case Study areas, and they will start with the joint, standardised electronic questionnaire (CAWI) and will be followed by in-depth interviews (IDIs) in the main case study areas. However, after analysing preliminary results of questionnaires and interviews, combined with information from documents and literature, additional targeted case studies will be examined within WP 2.6, as described in Section 2.5.3 This will also include analyses of EGTC, elaborated in Sections 3.2.2 and 3.2.3. They will mainly be analysed by in-depth interviews, in order to cover all types of governance and point out which (and if) types of governance and managing are improving the results of cooperation.

### **2.5.1 TERCO Standardised Electronic Questionnaires (CAWI)**

The design of the TERCO standardised electronic questionnaire, attached in Annex 6.1, is entirely linked to the logic of the TERCO-SEM model (described in Section 2.3). As a result the questionnaire consists of sections referring to the constructs of the TERCO-SEM model set out in the Figure 2-1. The questionnaire covers, e.g. : i) experience, intensity and degree of cooperation; ii) domains of TTC; iii) scope of cooperation by TTC types; iv) drivers and resources for cooperation; v) attitude towards TTC; vi) impact (economic, social, environmental) in terms of levels and flows; and vii) value added.

The questionnaire has a number of additional, important features that are worth explaining in greater detail. First, all the questions intentionally refer to all five types of TTC together, in order to capture relative judgements on the different types of cooperation for each set of questions. Second, even if our study defines cross-border, macro-regional, and interregional cooperation beyond INTERREG, the questionnaire focus only on INTERREG. Without this approach it would not be possible to develop sufficiently standardised questions. However, other forms of cooperation will be considered during the subsequent in-depth interviews. Third, as the SEM model requires variables that can be located along scales, the questionnaire applies the Likert scale, or other at least a 5-level scale, to as many questions as possible. Fourth, the questionnaire was intentionally kept short, in order to maximize return rates. Fifth, even though governance is a very important aspect in our project, it is covered by a relatively brief section in questionnaire. This is because such a complex issue is more suited to an interview type of approach, thus the IDI cover more questions IDIs will also be covered by WP 2.6 targeted cases. Sixth, the questionnaire contains a section for individuals who have never participated in any form TTC. This is an important element of the questionnaire as it allows the project to consider the barriers to cooperation and how these could be addressed in the future.

At this stage, the Questionnaire is available to respondents in 'paper form' (see Annex 6.1). However, ultimately it will be circulated in an electronic version, making it a Computer Assisted Web Interviewing questionnaire (CAWI). Taking this approach should significantly simplify the process for respondents. It also simplifies and facilitates processing the data.

As for target groups, the questionnaire will be sent to all municipalities and cities/local authorities (or LAU 2 areas) within NUTS2 regions in the range of our Case Studies. In total, more than 8,000 questionnaires distributed. The spatial distribution of the targeted units is provided in Table 2-5. The questionnaire will be directed to municipal and regional/local authorities.

The questionnaire has been translated into national languages and is currently being piloted by each partner. The outcomes of the pilot will be discussed and used to improve the questionnaire.

**Table 2-5 Number of CS LAU2 (or equivalents) by countries**

<b>POLAND-SLOVAKIA-UKRAINE</b>	
Poland	159
Slovakia	1225
Ukraine	1047
<b>FINLAND-RUSSIA</b>	
Finland	130
Russia	TBA
<b>UK-SWEDEN-NORWAY</b>	
Sweden	199
Norway	368
United Kingdom	1199
<b>FRANCE-BELGIUM</b>	
France	1548
Belgium	133
<b>POLAND-GERMANY-CZECH REPUBLIC</b>	
Germany	193
Poland	169
Czech Republic	1605
<b>SPAIN-MOROCCO</b>	
Spain	770
Morocco	306
<b>GREECE-TURKEY-BULGARIA</b>	
Greece	127
Bulgaria	63
Turkey	83

## 2.5.2 TERCO In-depth Interviews (IDI)

The logic of the in-depth interview design was to cover more complex issues that it was not possible to adequately address in the questionnaires. Questions are grouped into four sections, as follows: 1) geographical areas of territorial cooperation, e.g. which areas should be covered by transnational territorial cooperation in the future; 2) driving forces determining participation in TTC, and domains most adequate for TTC support; 3) territorial structures (e.g. rivers and maritime basins, Euro-corridors, urban areas, etc.) most worthy of EU policy intervention; and 4) governance and other practical aspects of TTC implementation which can facilitate or hinder cooperation.

The main characteristics of IDI, in contrast to questionnaire, is the following. First, it goes beyond EU programs, and aims to find other forms of territorial cooperation which may work effectively. We expect, especially from the transcontinental cooperation, interesting examples of it. Second, IDI tackles the questions on adequacy of current territorial areas, domains, governing based on specific examples. Our case studies, especially triple cases, should show how the same type of cooperation can be tackled differently depending on geographical, cultural and historical context. Third, the orientation of the interviews is on the most desirable future development of the TTC policy, at least from the point of view of the interviewed beneficiaries. Drawing on their experience, we hope to list good and bad practice in planning, programming and implementing territorial cooperation.

As for target group, the interviews will be carried out with experts, local/regional officials and leaders of the territorial cooperation projects. The approximately 20 interviews are expected to be conducted in each country.

It is important to mention, that in addition to the IDIs outlined in Annex 6.2, there will be a smaller number of in-depth interviews carried out for WP 2.6. and devoted entirely to governance issues. These will be so called “targeted case studies” and are described in more detail in the next section as well as in methodology on governance (Section 2.6 and Section 3.2).

## 2.5.3 Cases studies targeted on governance

Based on the results of an overview of governance arrangements, around five INTERREG targeted case studies and three EGTC targeted case studies will be selected. Targeted case studies for the analysis are selected on the basis of:

- geographic coverage, ensuring a balanced representation of a wide range of different territories;
- institutional and governance arrangements, reflecting the wide variety of approaches to the governance of territorial cooperation; and

- innovative/distinct approaches to governance, in order to highlight the particular benefits and challenges of as wide a range of approaches as possible.

In the case of the INTERREG programmes, this implies selecting case studies based on the different types of programme and area identified in section 3.2 and the different governance arrangements identified in section 3.2.1. For EGTC initiatives, the case studies will reflect the variety of cross-border, interregional and transnational forms of cooperation identified in section 3.2.2, possible EGTC case are outlined in Box 1.

#### **Box 1: Possible EGTC cases**

- **Crossborder and multi-level**

**Lille-Kortrijk-Tournai (LKT) EGTC**, 14 partners, from local level to State: This EGTC was the first to be implemented. Its main mission is to ensure efficient and coherent cross-border cooperation, to improve the quality of daily life of the inhabitants, which will be realized through the promotion of regular political dialogue between partner, preparation and management of projects co-financed by the EU. This case is covered as part of WP 2.5.

- **Transnational, managing authority of INTERREG program:**

GECT - INTERREG — Programme Grande Région, been established the 1 April 2010 with partners from France, Germany, Belgium and Luxembourg (registered office in Metz (France)). This new EGTC is the first one to be established as the managing authority of an INTERREG Programme (INTERREG IV A Programme Grande Region)

- **Interregional, network:**

Amphictiony: Greece, Cyprus, Italy and France, or EGTC around Danube, in order to investigate the links with the macroregion strategy which will be proposed in June 2011

For each of the targeted case studies, a detailed documentary analysis of relevant sources, such as annual reports, programme and implementation documents, will be completed. In addition, semi-structured interviews will be conducted with key stakeholders, including programme managers, secretariat staff, policy officials, regional contact/information points, project beneficiaries and Commission officials. The interviews will mainly be conducted by phone, although, where possible, face-to-face interviews will be carried out.

The aim of this stage of the research is to ask how do institutional framework conditions facilitate or hinder cooperation? How can shortcomings be overcome? (administrative culture, extent of self-government, funding sources). Which legal instruments and governance structures are appropriate for different forms of cooperation? (institutional design, modes of governance, national legal bases, European legal instruments)? Can

administrative and governance arrangements 'make' programmes/initiatives work? Key questions to be addressed are:

- How are strategies agreed?
- How is partner involvement managed?
- How are projects/activities generated and implemented? How effective is this system; and
- What efforts are made/systems are in place to maximise and reflect the impact of cooperation?

### *Questionnaire*

The questionnaire will be designed to gain qualitative insights and add to the data which can be accessed through documentary sources. Interviews will mainly involve key stakeholders in the relevant territories. However, it will also be possible to undertake interviews with, e.g. relevant Commission officials and officials at national level.

Key questions will be addressed in each interview, however, it also has to be recognised that some questions will have to be adapted to the specific area of expertise of individual respondents and to the type of programme being covered. For instance, questions to authorities involved in EGTC are likely to differ from those addressed to INTERREG practitioners.

The proposed questions elaborate on those already outlined in the questionnaire for WP 2.5, thus allowing for comparisons to be drawn between the results of the main case studies and the targeted case studies for WP 2.6. However, the focus of the questions is in line with the specific interests of WP 2.6 and is therefore focussed more specifically on governance issues. An indication of the structure and content of the interview questions is set out in Box 2.

**Box 2: Indicative interview questions for targeted case studies**

1. How is the cooperation managed and implemented? Does the cooperation have a formalised, dedicated organisational structure?
2. In your opinion, what organisations or institutions are most active in supporting territorial cooperation activities in your area?
3. How are agreements on the strategic content and approach to territorial cooperation reached?
4. How regularly do key partners meet? Are meetings followed by regular correspondence/follow up? How useful/constructive are the meetings?
5. How well is the participation of various partners coordinated?
6. Based on your experience, do you think that territorial cooperation arrangements should be: more formalised or less formalised Please explain why?
7. How well are the inputs and interests of various partners coordinated?
8. In your opinion, how well is the cooperation managed and implemented?
  - a. What are the main strengths?
  - b. What are the main weaknesses?
9. What, if any, are the main administrative difficulties/barriers to territorial cooperation in your area?
10. In terms of how territorial cooperation is managed, what could be done to make it easier for your organisation to participate in territorial cooperation?
11. In your opinion, how balanced (in terms of territorial representation and interest representation) is participation in (1) administration; (2) cooperation projects from organisations across the programme area?
12. What systems are you aware of that help to generate and support cooperation projects/activities? How well do you think these work?
13. What systems are you aware of that are in place to ensure the aims and objectives of the cooperation are being met? How effective do you think are they?
14. Are there particular administrative/institutional issues that have proved difficult for TTC? Please detail
15. Do you think that any of these difficulties have impacted on the capacity of TTC to effectively promote development in you area?
16. Based on your experience, can you highlight examples of 'good practice' in the management and implementation of TTC in (1) you own area, (2) other areas? Please elaborate/explain...
17. More generally, what factors do you think help support cooperation?
18. What have been the main barriers/obstacles to building TTC?
19. What administrative measures can/have been put in place to widen and deepen cooperation across the area?
20. To what extent are there beneficial exchanges/coordination with other territorial cooperation programmes and national policies and institutions?

## 2.6 Governance of territorial cooperation

As mentioned before, the project pays particular attention to the role of governance in TTC, hence the whole of Workpackage 2.6. is devoted to this topic. The main objectives of this Workpackage are threefold:

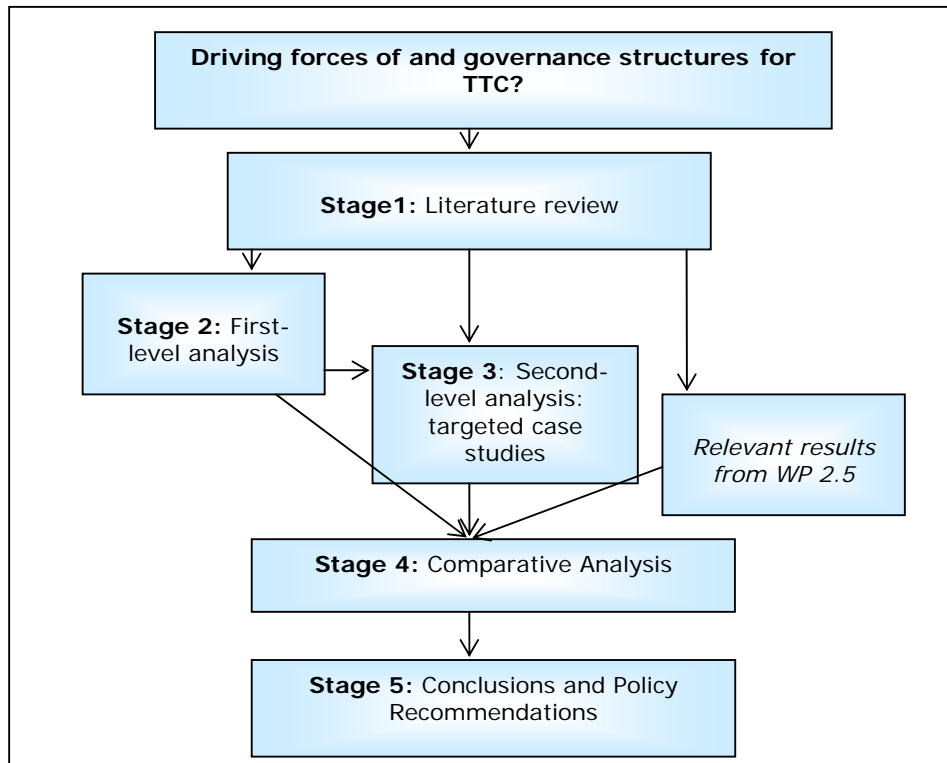
1. identify the driving forces behind and determinants of territorial cooperation;
2. identify the roles that institutional frameworks, legal instruments and governance structures play in cooperation and how appropriate they are for territorial cooperation; and
3. identify models of cooperation that work in practice.

The key questions for WP 2.6. are:

- What factors drive territorial cooperation?
- What factors and systems best support territorial cooperation and make territorial cooperation 'happen'?
- How is territorial cooperation operationalised/mobilised?
- How does the governance of territorial cooperation affect its contribution to wider goals, such as growth and jobs?
- How can the governance of territorial cooperation possibly be improved?

The research approach to governance issues involves a number of phases and processes, as presented in Figure 2-2.

**Figure 2-2: Research approach to governance of TTC**





### **Stage 1: Review of relevant literature and studies**

An extensive literature review has already been undertaken as part of the ESPON TERCO study. The aim of this section of the work is to draw on and complement existing material, by developing a more in depth review of specific material relating to the management and implementation of territorial cooperation programmes and initiatives. Such a review includes sources such as ESPON project 2.3.2, the ex post evaluation of the 2000-06 INTERREG programmes and comparative studies, such as OECD reports (2011, 2010, 2006, 2003), BBR (2009), Taylor et al, (2004).

### **Stage 2: First-level analysis**

The overall focus of the TERCO project is territorial cooperation in its widest sense including, for example, cooperation between twin/sister cities and within macroregions. Workpackage 2.6 aims to take all forms of cooperation into account, but it also has a particular focus on EU's INTERREG programme and EGTC initiative.<sup>5</sup> This more narrow focus is adopted for the following reasons:

- The INTERREG programmes and EGTC initiatives offer greater opportunity to compare like with like (or at least similar with similar) than a comparison of all forms of territorial cooperation.
- By using programmes where there are clear, common external drivers and a rationale for cooperation, e.g. access to resources, the research can focus to a greater extent on the impact of contextual and governance issues in relation to territorial cooperation.
- INTERREG, in particular, has its own requirements for management and implementation that to an extent shape and inform the governance of the policy. However, even within this common framework there are considerable variations, which highlight the particular impact of governance systems have on territorial cooperation and what they can achieve.
- By focussing on INTERREG and EGTC there is scope to look beyond administrative arrangements and focus on how institutions operate and interact at various stages and on differing tasks.
- The INTERREG programme is a relatively well-established form of territorial cooperation, established in 1989. Thus, change over time and the scope for lesson learning and adaptation can be reflected. In contrast, EGTC initiatives are

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<sup>5</sup> The European Grouping of Territorial Cooperation (EGTC) was established the 5 July 2006 by Regulation (EC) 1082/2006 of the European Parliament and of the Council and came into force on 1 August 2006. The EGTC instrument is designed to facilitate and promote cross-border, transnational and interregional cooperation. Unlike the structures which governed this kind of cooperation before 2007, the EGTC is a legal entity and as such, will enable regional and local authorities and other public bodies from different Member States, to set up cooperation groupings with a legal personality.

comparatively new and are particularly valuable cases in relation to exploring the issues involved in initiating and establishing a new form of territorial cooperation. It is also the first European cooperation structure with a 'legal personality' defined by European Law. As such, it offers a new case for investigations into the governance of territorial cooperation.

The first-level analysis of WP 2.6 involves a review of INTERREG programmes and EGTC initiatives, taking into account the scale and scope of the programmes, the type of border involved, the number of participating countries, and whether the cooperation is 'well-established', i.e. spans a number of programming periods. Crucially, the first-level analysis also involves an in-depth review of the governance arrangements used for INTERREG programmes and EGTC initiatives, in order to identify, understand and categorise the key governance arrangements in place.

For INTERREG programmes, the first-level analysis will involve reviews of programming and strategic documents, including operational programmes, annual reports and evaluation studies. Where possible, the focus will be on the 2007-13 programming period. However, it is recognised that many evaluation reports for the 2007-13 INTERREG programmes are not yet available and valuable lessons can be drawn from past experience. Therefore, where relevant, experience during the 2000-06 period and earlier programming periods will also be considered. For EGTC, the first-level analysis will include a review of relevant documents available from the European Commission, the Committee of the Regions, all established EGTCs and those under discussion, and reports from DG Regio.

As well as drawing general lessons and conclusions, the first-level analysis will be used to inform the selection of in-depth 'targeted case studies', where the process of mobilising and implementing territorial cooperation can be examined in much greater detail.

### **Stage 3: Second-level analysis: 'targeted case studies'**

Work on targeted case studies, mentioned before, will mainly involve documentary analyses and interviews. Documentary analyses will draw on: operational programmes, programme manuals, strategic implementation reports and evaluations. Semi structured interviews with key stakeholders, such as policy makers, programme managers, secretariat staff, regional contacts and programme/initiative beneficiaries, will focus on issues potentially affecting the mobilisation and operationalisation of territorial cooperation.

### **Stage 4: Comparative analysis and conclusions**

The comparative analysis and conclusions are based on four key sources: the literature review, first-level analysis, targeted case studies, and, relevant fieldwork undertaken as part of Workpackage 2.5.

In order to maximise positive complementarities in terms of geographical coverage of the cases and the types of programmes involved, careful consideration was given to the selection of case studies for Workpackage 2.5 and the targeted case studies in 2.6. Research partners working on WP 2.5 and WP 2.6 also collaborated on the development of

questionnaires and interviews, with a view to improving and extending the coverage of the research. In particular, questionnaires and interviews for WP 2.5 go into some depth on the factors shaping territorial cooperation.

For WP 2.6, all the qualitative data gathered will be analysed with a view to:

- identifying the relative importance of specific contextual factors as facilitators of, or constraints on, territorial cooperation,
- drawing up a list of the ways in which different cooperation areas have responded to varying framework conditions and determining whether specific legal instruments and governance structures (including institutional framework) are more appropriate for territorial cooperation than others;
- identifying fundamentals of good practice in the design, implementation and sustainability of different cooperation approaches; and
- presenting policy recommendations for future territorial cooperation.

While much of the Workpackage has a narrow focus on experience under the INTERREG programme and EGTC regulation, other forms of territorial cooperation will also be taken into account. Therefore, in relation to drawing conclusions and setting out policy recommendations, it will be possible to draw common lessons that can usefully be applied to a wide range of different types of territorial cooperation. These can include common lessons such as the importance of setting clear goals and securing wide agreement on those goals, the importance of strategic management, and lesson learning/sharing information.

## **2.6.1 Governance structures, frameworks and models**

Institutional frameworks for the management and implementation of territorial cooperation differ depending on the needs of the participants and the systems they operate within (Faludi, 2007; Perkmann, 2007, ESPON 2.3.2, 2006). Key variables when differentiating between forms of territorial cooperation are: the degree of administrative centralisation or decentralisation; the levels of formality/institutionalisation involved; the level of 'openness' and intensity of partner involvement; and the extent to which joint or parallel structures are in place to support cooperation.

### **2.6.1.1 Key characteristics**

#### *(i) Top-down/bottom-up cooperation?*

Historically, cooperation across borders was an area of activity dominated by central government actors (Perkmann, 1999, p. 658). However, in the EU some of the earliest institutionalised forms of territorial cooperation are based on bottom-up initiatives involving border municipalities. For instance, in the 1950s and 1960s various cooperation arrangements between the Benelux countries, the western borders of Germany, and the

Swiss-French-German border areas were based on bottom-up initiatives by municipal and local authorities (Perkmann, 1999, p. 658, Dolez, 1996).

Current territorial cooperation arrangements continue to be strongly based upon local and regional institutions and actors. Theoretical work on Europeanisation, multi-level governance and new regionalism highlights the increased role of sub-national actors in driving economic development and participating in external networking and cooperation activities (Hooghe and Marks 1996, Keating and Hooghe, 1996, Brusis, 2002). Policy reviews identify the key role of sub-national actors in, for example, INTERREG programmes and city twinning.

The institutional and governance arrangements for territorial cooperation are often strongly influenced by the patterns of territorial organisation of the areas involved. For instance, in Germany the size of the Länder means that only parts of them are involved in cooperation arrangements, thus giving greater profile to municipal authorities and associations. However, not all territories are equally well placed to independently engage in cooperation activities. Variations in the levels of decentralisation can affect the extent to which local and regional actors participate in territorial cooperation. In many cases, central government authorities retain a high profile in territorial cooperation, due to a perceived or actual lack of capacity at sub-national level.

As well as being shaped by domestic conditions, the availability of 'external' resources and drivers for cooperation has contributed to the emergence of an increasingly top-down element to some territorial cooperation arrangements. In some cases, external resources and initiatives, such as INTERREG, have simply strengthened existing cooperation. However, in others territorial cooperation has been the result of a top-down drive from a central and supra-national level. The Council of Europe, the European Conference of Ministers Responsible for Spatial Planning (CEMAT), the Association of European Border Regions and the European Commission are among the institutions and agencies involved in promoting transnational cooperation (Engel, 2009, p. 10). Where cooperation has resulted from an 'external' initiative, cooperation tends to be more heavily dominated by regional and central authorities (Perkmann, 1999, p. 662). Even where territorial cooperation arrangements were in place before INTERREG, the way in which they operate and organise themselves has often been adapted to enhance links to the centre, in order to help draw down EU resources through project applications (Perkmann, 1999).

*(ii) Level of formality*

As territorial cooperation arrangements have become increasingly embedded, many have tended to become increasingly formalised and institutionalised. The establishment of EGTC initiatives as legal entities is one of the most notable examples of this trend. INTERREG has also had a considerable impact on the levels of formality and 'institutionalisation' of territorial cooperation arrangements. INTERREG programmes operate according to set regulations and procedures. As a result, institutionalised networks of cooperation involving public

administration from local, regional, central and EU levels have been established to meet these requirements.

In particular, the multi-level nature of INTERREG, as well as other forms of cooperation, means that, as well as involving strong horizontal links between the territories involved, governance arrangements have to incorporate strong vertical coordination between central, regional and local levels. Thus, territorial cooperation increasingly involves 'multilevel institutionalisation' in order to facilitate co-operation and the vertical and horizontal co-ordination of policy between different spatial levels (Scott, 1999 p. 608).

Such developments suggest more institutionalized, complex and closely coordinated forms of territorial cooperation. However, it is also important to recognise that a range of other forms of cooperation are also in place, many of which involve less formalised systems. City twinning arrangements tend to lack dedicated institutional resources and systems and rely on less formal inter-organisational or interpersonal relations. The appropriate institutional frameworks to support the newly adopted macroregional strategies are the subject of on going debate (Mirwaldt and McMaster, 2010). Additionally, as will be discussed in subsequent sections of this report, even the way in which territories have responded to the fixed requirements of INTERREG have differed, e.g. linked to the institutional infrastructures of the participating territories (Taylor, et al. 2004).

*(iii) Openness, partner involvement and intensity of relations*

Depending on the scale and scope of the cooperation, a large number of institutions may be involved, e.g. in an INTERREG A cross-border programme or macro-region. Alternatively, many forms of territorial cooperation rely heavily on narrow groups of key institutions and actors, e.g. city-twinning. Such arrangements can be easier to manage and coordinate, and involve strong inter institutional and interpersonal relations that offer a solid basis for sustainable cooperation.

In the EU context, territorial cooperation arrangements in the EU Member States have tended to rely heavily upon the involvement of public authorities. The networks involved are generally policy networks with limited involvement of the private sector (Perkmann, 1999). Even in border regions with a strong tradition of cross-border territorial cooperation, such as the North of Belgium, Southern Netherlands and Grande Région, engaging the private sector in territorial cooperation initiatives has proved challenging (Van Houtum, 1997 and Scott, 1999: 610). ESPON project 2.3.2 (2006) highlights similar concerns over the involvement of civil society organisations in territorial cooperation.

However, extending the reach and impact of territorial cooperation, finding ways to widen and deepen partner engagement/participation is an increasing concern (Barca, 2009, CEC 2010). A number of territorial cooperation programmes are making explicit commitments to more actively engage with private business, e.g. through supporting projects based on 'triple helix' partnership between higher education, private business and public authorities (McMaster 2010). Looking to the future, pressure on cooperation initiatives to deliver

tangible results and impacts could also lead to a greater emphasis on involving private enterprise (CEC, 2010a, McMaster et al, 2010).

*(iv) Joint or parallel structures*

Based on a number of factors such as funding regulations, maturity of the cooperation, capacity of domestic organisations, a number of territorial cooperation arrangements involve fully cross border/transnational or joint institutional arrangements, e.g. a single INTERREG secretariat covering a cross border area. One of the most notable examples is the EGTC initiative, which allows public entities from Member States to form a new entity with full 'legal personality'. Such joint administrative arrangements and joint working suggests a high level of cooperation, exchange and lesson learning, and even greater convergence in approach.

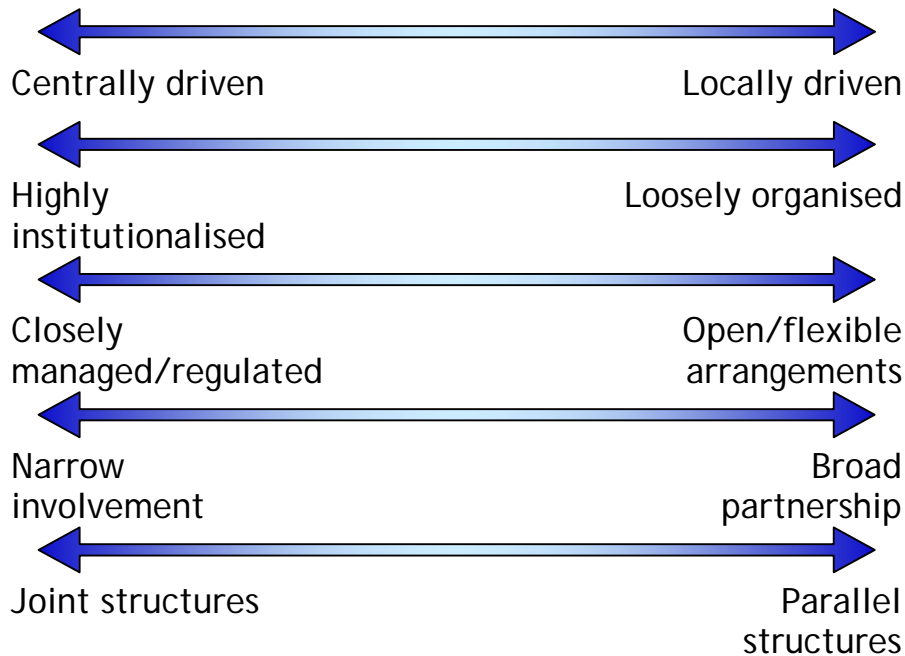
However, as Scott (1999) observed, despite the present proliferation of cross-border initiatives in many parts of the world, it seems doubtful that we will see a general convergence of institutional forms or co-operation modes. Rather, the arrangements are highly context-sensitive, conditioned by degrees of regional self-awareness, local identities, ideological discourses and the material co-operation incentives generated by interstate integration processes (Scott, 1999). Even EGTC initiatives are facing considerable challenges, linked to the difficulty of having a joint organisation in charge of cooperation.

More commonly, territorial cooperation involves complex horizontal cooperation between parallel organizations, on either side of the border. Additionally, there is considerable value in maintaining strong local/regional representation and visibility in order to help support engagement on the ground.

### **2.6.1.2 Overview**

Overall, there is an increasingly mixed picture of dynamic 'bottom-up' territorial cooperation driven by municipal/local level action and, at the same time increasingly formalised and structures networks of higher regional/central level authorities, primarily involved in INTERREG programmes. Within these arrangements, key actors are local and regional authorities, authorities involved in the strategic management and implementation of INTERREG, usually central government departments, and the European Commission.

Based on the variables highlighted in the literature and discussed in the preceding sections, institutional arrangements and frameworks for territorial cooperation can be located along a number of scales, see Figure 2-3.

**Figure 2-3 Characteristics of territorial cooperation governance structures**

Linked to this, key questions for this workpackage to go on to explore what are the advantages and disadvantages associated with these arrangements, are some institutional arrangement 'better' than others?

### 2.6.1.3 Governance challenges

Very different forms of cooperation and different forms of institutional and governance arrangements are in place. Cooperation can range from sporadic consultation involving limited resources, e.g. city twinning arrangements, to wide-ranging and well-resourced programmes with accompanying institutional frameworks. A large section of the academic and policy literature focuses on issues such as the institutional frameworks in place for cooperation and the organisations and actors involved.

However, beyond establishing some form of cooperation framework or arrangement, territorial cooperation has to be put into practice and 'operationalised'. The organisations involved have to drive, manage and implement the cooperation. The governance of the cooperation is instrumental in maximising the benefits, impact and sustainability of the cooperation arrangement.

While cooperation arrangements differ, it is possible to highlight a number of common challenges involved in the governance of territorial cooperation (McMaster, 2011, Ferry and Gross, 2005). For instance, ESPON 2.3.2 (2006) identifies the following barriers to successful territorial governance: national regulative and institutional frameworks; political will; capacity of local authorities; funding; identification of final beneficiaries and encouraging

involvement; consensus building; and cross-sectoral co-ordination. More generally, common challenges highlighted in the literature range from the often complex and bureaucratic nature of cooperation to the difficulties in demonstrating impact of cooperation.

(i) *Administrative complexity*

As Perkmann observes, 'legally, the idea of an administrative body in charge of a subnational cross-border area is relatively difficult to put into practice.' (1999, p. 658). The complexity inherent in many territorial cooperation arrangements has important implications for the perceived high cost and administrative burdens involved (Wassenhoven, 2008). Being additional to mainstream policy means that cooperation activities may require dedicated delivery structures and strong promotional activities in order to be delivered successfully, while the amount of resource available is often relatively small. Delivering cooperation activities that can span multiple local, regional and national boundaries with different financial, administrative and regulatory systems can involve a high administrative cost (Bachtler and Méndez, 2010). Moreover, guaranteeing that territorial cooperation activities are integrated with larger domestic development strategies, while avoiding becoming subsumed by them, is an additional challenge.

Under the INTERREG programmes, many day-to-day problems have resulted from political and regulatory systems (e.g. administrative and legal barriers), and from cultural differences (e.g. language barriers). An ex post evaluation of 2000-06 Strand A programmes found that the different regulatory practices (e.g. taxation, social security, health care, public services, public procurement procedures, educational and professional training etc.) reduced the overall transparency of cross-border markets and represented limitations for border-crossing business activities (Panteia, 2010). When coupled with language barriers, these differences represented considerable barriers to cross-border activities. Such problems are even more evident in regions along the external EU borders where provisions on the free movement of people, goods and services do not apply (Panteia, 2010, p. 36).

As cooperation arrangements become increasingly embedded one could expect processes of learning and exchange of best practice, which are actively promoted through e.g. INTERACT, to address such barriers. As Bruno et al. (2006, p. 533), Giannakourou (2005) and Pedrazzini (2005) and Colomb (2007) highlight, cooperation arrangements are allowing for the sharing of some common representations, opening the way to a common perception of problems, and enlarging the choice of possible responses, thanks to the exchange of 'good practices' and learning. However, although initiatives provide an opportunity to promote and share best practice and joint working (Halpern, 2005, p. 699), cooperation does not necessarily translate into actual transfer, streamlining or combining of approaches (Colomb, 2007).

(ii) *Agreeing strategic focus*

Joint and participatory approaches to programme implementation have been evaluated as one of the key factors for successful cooperation, particularly under the various strands of the INTERREG programmes. For instance, in the case of the INTERREG IIIA programmes, joint



and participatory approach has had a favourable influence particularly in the preparation/elaboration of programme strategies, decision-making processes established at the programme-level (Panteia, 2010, p. 14). Similarly, under the INTERREG IIIB programmes, the high depth and intensity of such commitment had a positive influence, particularly at the project level.

Many territorial cooperation activities are increasingly attempting to become more strategic in their focus, e.g. by setting out strategic plans and narrowing their focus on key areas of intervention where they can maximise their impact (CEC, 2010a). However, establishing an appropriate strategic and thematic focus for cooperation can be contentious and time consuming. Often, projects are characterised by interdisciplinarity and national diversity. This involves working within the constraints of one or more foreign languages, experiencing challenges associated with cultural diversity and overcoming difficulties with communicating across sectoral boundaries (Böhme, 2005). Cooperation processes can be constrained by factors such as: uneven levels of commitment; the absence of a coherent implementation strategy; the lack of instruments to promote the objectives of cooperation; and direct competition on some issues. The appropriate 'spaces' and 'levels' for cooperation can be difficult to establish. For instance, it is difficult to set boundaries on cooperation, such as whom to include and exclude, and at what level to participate, e.g. national government, regional authorities, agencies or private companies?

*(iii) Demonstrating impact*

The benefits of cooperation strategies can be more symbolic than tangible in nature and as a result are difficult to capture: although long-term gains may be assumed, short-term benefits can be elusive (Ferry and Gross, 2005). A common problem of evaluating small-scale cooperation activities is the difficulty of identifying impacts, disaggregating effects from other public expenditure and determining cause-and-effect. In contrast, the 'breadth' and scope of the cooperation objectives make it particularly difficult to clearly demonstrate 'concrete' results and impacts (Taylor, et al, 2004). The large geographical scale of the cooperation area means that resources are spread widely and measurable impacts may not be immediately apparent in all regions. The continuity and sustainability of these types of activities also require particular consideration.

Concerns about the impact of territorial cooperation have been echoed by many Member State authorities involved in the territorial cooperation programmes, who suggest the concrete benefits of territorial cooperation are not always clear, e.g. results are 'often in the form of studies and reports' (Bachtler and Méndez, 2010). Related, there is a perceived need to ensure a stronger focus on practical tasks, achievable goals and supporting strategic projects with strong added value (Bachtler and Méndez, 2010).

The expectations of what cooperation can and should achieve is an issue gaining increased prominence, linked to pressures on public expenditure and increased emphasis on accountability and transparency in both the public sector and more widely. Increasingly territorial cooperation is assessed in terms of the extent to which it demonstrates 'added-

value' and delivers results. This is a notable shift in emphasis away from simply networking activities, which were a common focus in the past (McMaster et al, 2006a).

*(iv) Tensions and competition between partners*

Competition is a barrier to cooperation and may even result from cooperative activities, such as exchange of best practice. However, experience in other Programmes, e.g. the EU's LEADER programme, found that amongst the groups participating in cooperative projects and activities the advantages of cooperation outweighed the inconveniences. Participants tend to work together as long as it is in their interest and should competition occur, this tends to happen only in respect to marketing strategies (CEC, 1999). Working on this basis is termed 'co-opetition' (CEC, 1999).

In some areas of activity tensions are more likely to arise than in others. Scott (1999) observes that networking has flourished in uncontroversial initiatives in areas such as environmental protection, physical and transportation infrastructure, the production of basic planning materials, joint curriculum development for regional universities, vocational training, cultural activities, local social services and public agency (IRS, 1997; Roch et al., 1998). In others fields, calls for greater territorially-based cooperation to manage shared resources are the subject of considerable tension and greater territorially-based cooperation seems unlikely in the short-term (McMaster 2011).

*(v) Institutional and financial resources*

The institutional and financial resource available for cooperation fluctuates and, related, so do the expectations of what cooperation can achieve. Of particular relevance to the contemporary development of territorial cooperation is the impact of the economic crisis, which could have potentially contradictory impacts (McMaster et al, 2010). Not all the countries have been very negatively affected by the crisis. However, many have been particularly badly affected. In terms of the potential impact on cooperation activities, economic pressures could, on the one hand, help to enhance the importance and relevance of territorial cooperation. For instance, growing financial constraints could mean that organisations will be looking for new sources for funding and new development opportunities. On the other hand, economic conditions could lead to a drop in the number of organisations that are in a position to participate in cooperation activities that are 'additional' to their core activities. The variable impact of the crisis could pose challenges for ensuring balanced participation. Key organisations could face public sector budget cuts that could reduce the capacity of, especially, public sector organisations to promote and develop cooperation.

*(vi) Changing political, institutional and policy environments*

The political, institutional and policy environments for cooperation is subject to change. Especially as economic and political changes are prompting a re-evaluation of key international relationships. New institutional and strategic approaches to cooperation are also emerging. For example, macro-regional development strategies are gaining increased

prominence, e.g. the Baltic Sea and Danube Strategies. Such efforts could strengthen existing cooperation. Yet, it could also raise difficulties in terms of overlaps with existing cooperation arrangements.

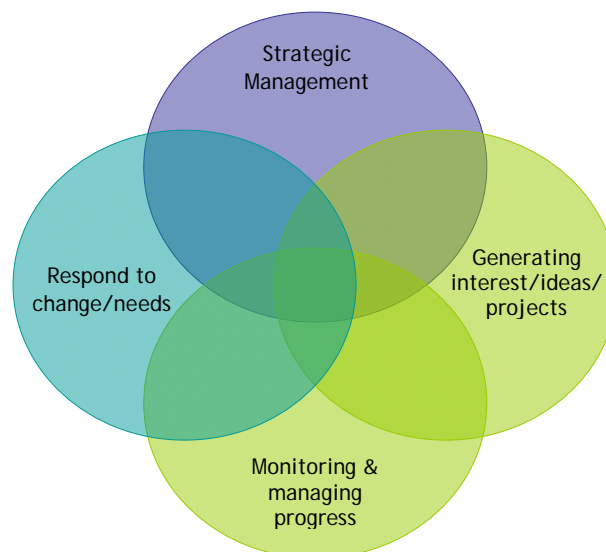
As well as new cooperative links and approaches, new issues and themes are emerging as a focus for cooperation. These include, for example, issues and themes linked to the impact of the economic crisis, responses to climate change, how to reduce dependencies on some sectors, and the development of new industries. Exploration and the development of renewable and alternative energy and responses to climate change have been a particular focus of intergovernmental cooperation. Where to focus new efforts, and what themes and issues to address are vital considerations, with some issues lending themselves to cooperative working to a greater extent than others.

Where cooperation efforts expand into new areas of activity, efforts have to be made to ensure the planned activities complement existing initiatives, as opposed to overlapping or conflicting. In developing new areas of cooperation it would be counter productive to move into areas that would overlap or clash with existing, well-functioning networks. However, there may be aspects of the existing programmes and arrangements, which are not well adapted to the needs of stakeholders in a specific territory, e.g. the high levels of bureaucracy involved in EU cooperation programmes.

#### 2.6.1.4 Governance processes

In many cases, the challenges in mobilising, managing and implementing territorial cooperation are rooted in the external conditions and frameworks that the cooperation is operating within. However, as the preceding section has outlined, as well as considering the broad 'external' framework conditions for cooperation, it is revealing to look within existing cooperation arrangements and how they are actually put into practice. Mobilising and implementing cooperation generally involves a number of stages, see Figure 2-4.

**Figure 2-4 Mobilising and implementing cooperation**



At each of these stages, common challenges are centred round the key tasks of ensuring efficiency, maintaining a strategic orientation, transparency and equity, visibility, accountability, and flexibility, see Box 3 (Bachtler, McMaster and Méndez, 2006). For territorial cooperation programmes the challenges are amplified by, for example, the 'additional' nature of many of the activities undertaken, limited financial and institutional resources, administrative complexity, difficulty in demonstrating clear cut impacts and results. In addition, pressures resulting from the economic crisis, political commitments to transparency and accountability and, in some cases, changing regulations governing cooperation increasingly require such considerations to be taken into account.

The issues and processes listed are concerns that some cooperation programmes are just starting to deal with. Others have developed responses over time. Some arrangements face considerable pressure to deliver cooperation in line with fixed institutional and governance arrangements, e.g. INTERREG. Others have established ad hoc systems.

### **Box 3: Criteria for governance systems**

#### **Indicative list of criteria for governance systems**

- i. administrative efficiency - ease of administration in terms of time and cost
- ii. strategic orientation – coherence
- iii. transparency and equity - for partners and beneficiaries in all parts of the programme area
- iv. visibility - of the contribution and added value of territorial cooperation
- v. accountability - compliance with the regulations and Commission requirements
- vi. flexibility - to adapt to changing circumstances.

Source: adapted from Bachtler, McMaster and Méndez, 2006, p. 6

How well governance processes work is central to the success of cooperation and the impact that it has. Yet, the processes and governance systems that are used to mobilise and implement cooperation is a topic that has not been as widely explored in the academic and policy literature, beyond evaluations of single territorial cooperation programmes. The lack of in depth understanding of the procedural mechanisms of governance models has been highlighted in the academic literature on EU governance (Eberlain, 2004, p. 131). This gap is particularly apparent in studies of transnational territorial cooperation. The remainder of this work aims to explore these systems and arrangements with a view to identifying patterns and key themes, examples of best practice and develop policy recommendations.

## **2.7 Network Analysis**

Network analysis is particularly interesting and new in relation to TwinningCity cooperation. There are no comprehensive databases existing to show this phenomenon in the quantitative way. Our contribution in this respect is first, that thanks to the Network Analysis we show the cooperation links (intensification and range of cooperation for the whole Europe and beyond); second, thanks to qualitative case studies we are able to show in which regions these types

of cooperation have more substance and why. Based on this mixed approach we can investigate the relationship between quality of cooperation vs. its intensification, distance of cooperating units, range and number of cooperating partners, etc. Network analysis is also used for INTERREG C and B in order to show similar relationships as the one described above.

The result of the Network Analysis are important for creating typologies of cooperation not only for INTERREGS and TwinningCities, but also for crossing them with results of socio-economic analysis in order to obtain the typology of “TTC driven development”.

All in all the main objectives of applying the Network Analysis in the project are:

- i) To assess the **intensity** of transnational territorial cooperation among the European NUTS2 regions in Neighbourhood Countries based on data from INTERREG programs and data on city twinning agreements.
- ii) To map out the networks of co-operating regions and cities, identifying **nodes** (i.e. main centres of cooperation) and their **relationships** (i.e. projects and partners linked to them). Thus, allowing the project to assess the **degree** of transnational territorial cooperation.
- iii) Create “typologies of TTC” and also contribute to “typologies of TTC driven development”

The **intensity of cooperation** is measured through a network type of analysis by the number of common projects between the partners - (the greater the number of projects the higher the intensity of cooperation of the region). It has to be mentioned that ‘intensity’ measured in this way does not determine the scope of cooperation (as defined in Colomb, 2007). In other words, the cooperation can be very intensive (involving many projects), but its scope can be limited to, for example, only exchanging of experience.

The **degree of cooperation** is measured in through a network approach by the number of regions cooperating with each other. A region becomes a large node if it cooperates with many regions and is considered to have a high level of cooperation. Again, it has to be stressed that ‘degree of cooperation’ does not necessarily solely determine the intensity of cooperation, e.g. the degree of cooperation may be high, but its intensity low or high.

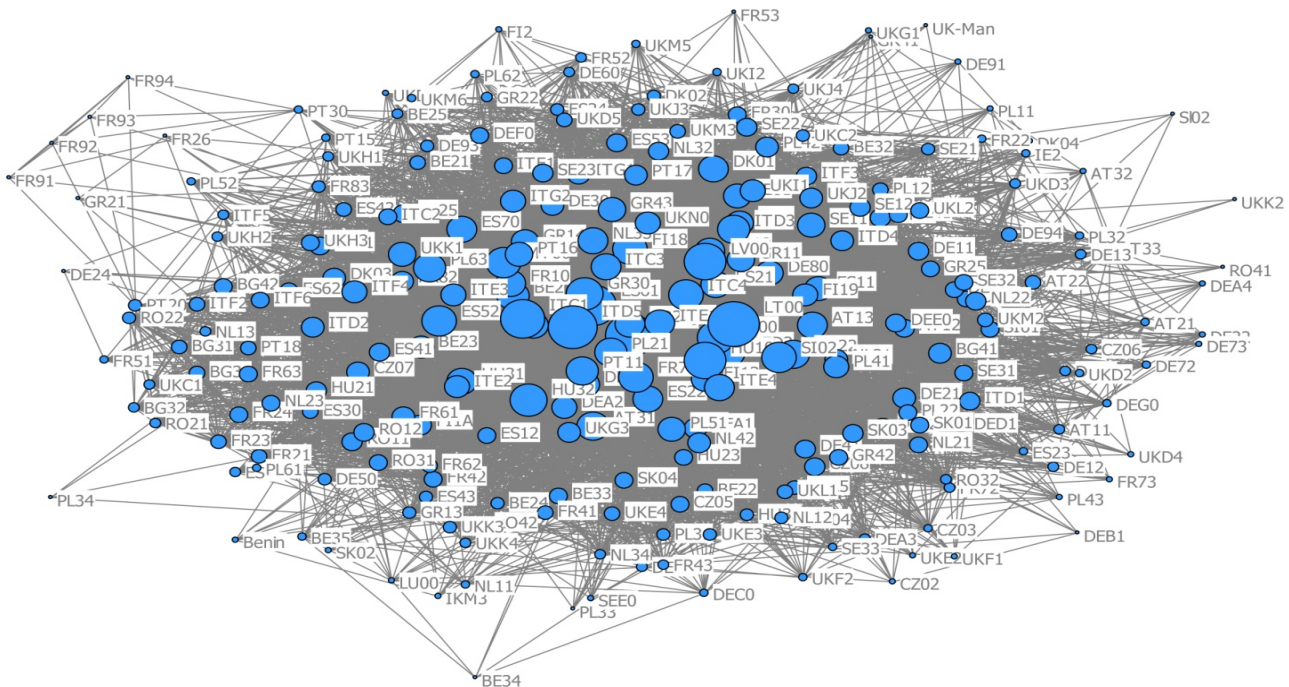
Such points can be more clearly illustrated by examining a visual presentation of the networks (see example in Figure 2-5). Every network of cooperation consists of nodes (depicted as circles) and the relationships between them (depicted as lines). A large node depicts a region with cooperative links with many other regions. The larger the circle, the higher is the degree of cooperation for a certain region. The lines, on the other hand, represent the number of cooperation projects between the regions. So, the thicker the line the more joint projects the regions share. In other words, the thicker the line the higher is the

intensity of cooperation. These concepts are used in presentation of the results from the project's Network Analyses (see Section 3.1).

#### *Data for Network Analysis*

The project applies Network Analysis to two sets of data: 1) INTERREG III and IV strand B and C, and 2) to cities having twinning agreements (both will be presented at NUTS 2 level for the whole European eligible area). While the data for INTERREGS is relatively easily accessible, data for TwinningCities is not. There is no official directory of such data. There is an immensely large number of city twinning agreements, and the information on city twinning is very much dispersed. In order to deal with this, the project decided to draw on one of the most readily available open sources of information, Wikipedia. In this case, the value of this source of information is that i) by and large the cities report their twinning agreements on the website, ii) information is drawn together in one place and iii) the data is freely accessible.

**Figure 2-5 Visualisation of INTERREG IIIC projects in Network Analysis**



#### *Writing algorithms for extracting data on TwinningCities from the internet*

Despite of the aforementioned advantages of Wikipedia, there are still many challenges relating to how to extract the information required for the project. Wikipedia uses a range of ways to code the information on twinning cities on its websites. Very often it can be straightforward for Wikipedia interface users (i.e. what is a city, what is a country etc.),

however, it is challenging to put it in the form of an algorithm. There is a trade off between valuable information and number of restriction (i.e. codes, which attempt to precise the quarry). For example, the introduction of too many such restrictions on the acquired data would cause an insufficient number of collected information because some TwinningCities would be left out. On the other hand, too broad a definition brings a lot of surplus information. So in practice, it is a difficult and very subjective decision how to set up restrictions at the optimal level (so to assure that from all cities in the Wikipedia only those with twining agreements will come up as a result, yet none will be omitted). The problem is tackled by hierarchical approach. First, a broader span of data is selected and then it is gradually filtered to clean the sample. The cleaning procedure requires lots of checks, including even simple checks such as whether the website is about a city at all. For this, we use two main methods: one is to use city lists both from Wikipedia and from EU-27 town list and the second is to check the GPS coordinates on the Wikipedia page. Almost every city has its coordinates entered and most other pages don't (although there are many non-town pages with GPS coordinates entered, this will have to be double checked).

*Pilot study for testing whether data on TwinCities are complete and credible*

After the initial data download and the first check ups some algorithms had to be improved. Then the procedure was repeated several times, and each time some new improvements were introduced. With every iteration of the download process the data is more and more complete and credible. A common error is that the algorithm treats a country as a city, since usually this part on a Wikipedia page contains both city names and the corresponding country name. Fortunately this mistake is easy to spot and it does not affect the quality of the data at the end of the process.

## **2.8 Typologies of TTC and TTC driven development**

With the methods chosen and the data gathered in the project (more on database is in the next section) two kinds of typologies are being created. The first typologies are based on the cooperation characteristics. Here the typology criteria are the features of cooperation, such as: intensity, degree, scope, etc. How they combine lead to creating "typologies of TTC". The second typology is created by connecting TTC with socio-economic characteristics and development of the regions. Combining various features of TTC with levels and dynamics of regional development leads to typologies of "TTC driven development".

Hence, based on Network Analysis alone, the first kind of typology is proposed as presented in Table 2-6.

**Table 2-6 Typology of TTC based on degree and intensity of cooperation**

	Regional intensity of TTC involvement (based on number of common projects)	
Regional degree of TTC involvement (base on number of cooperating regions)	<b>High, High</b> (i.e. cooperation with many regions in many projects)	<b>High, Low</b> (i.e. cooperation with many regions but in few projects with each)
	<b>Low, High</b> (i.e. cooperation with few regions but in many projects)	<b>Low, Low</b> (i.e. cooperation with few regions and in few projects)

Examples of such regions are presented in the section on Preliminary Results (Section 3.1). Eventually it will be possible to present results for the whole Europe at NUTS 2 level.

Another example of the “TTC typology” is based on correlating data from two sources, Network Analysis and questionnaires (CAWI). The typology is based on combinations of intensity and scope of cooperation as well as the degree and scope of cooperation (where scope is defined in line with Colomb, 2007) and investigated by means of CAWI. The typologies will be limited to the case study area covered by CAWI.

The example of “TTC driven development” comes from crossing Network Analysis with Factor and Cluster Analysis. Then, for the regions with various TTC typologies the homogeneous groups of variables (factors) determining their development will be identified. Then, the “TTC driven development” typology for all NUTS2 regions will be created.

## 2.9 Databases

Since many methods are proposed in the TERCO project, a large amount of data is being collected to apply them. In all, four databases are being created as outputs of the project: 1. Database on INTERREGs, 2. Database on socio-economic variables - levels and dynamics of development (at NUTS2, NUTS3, LAU2), 3. Database on TwinningCities, 4. Database on transcontinental cooperation.

### 2.9.1 Database on INTERREGs III and IV strands A, B, C

Database on INTERREGs include all three strands of the programme. Data on INTERREG IIIA and IVA sub-programmes (and including, where relevant, TACIS programmes) cover the area of the European Case Study of the project. The primary information being collected is: 1) the domains in which these sub-programmes have launched and funded development projects (that is, the axes, priorities, or measures); 2) the funding devoted to those different domains; 3) the number of projects per sub-programmes and per domains; 4) and the list of regions that have been benefited from these sub-programmes. A main source of these data is the Interreg III on-line database of the European Commission (Regional Policy – Inforegio:



[http://ec.europa.eu/regional\\_policy/interreg3/](http://ec.europa.eu/regional_policy/interreg3/)) as well as websites of and reports compiled by the individual sub-programmes. However, not all the information is available so readily, responsible managing authorities are contacted for the missing data. Information on INTERREG A will support and supplement the findings from the field-work (survey and interviews); and it has already informed the preparation of the survey questionnaire and the SEM model. The sample of the database is provided in Annex 6.4.

The INTERREG III and IV strands B and C database include two tables, both at NUTS 2 level. The first table covers basic data, such as the number of projects and project partners, number of lead partners, number of links to other NUTS2 (linked by participation in common projects), number of NUTS2 regions connected directly (degree centrality: the number of ties that a certain node has). The second table is the cooperation matrix showing links between regions. The template of the data collected for INTERREG B and C is provided in Table 2-8.

**Table 2-7 Templates for INTERREG B and C data sets**

Basic data

	Number of projects	Number of partners	Number of lead partners	Number of links to other NUTS 2	Number of NUTS 2 connected directly (degree centrality)
NUTS 2_1					
NUTS 2_2					
NUTS 2_3					
... n					

Cooperation matrix

	NUTS 2_1	NUTS 2_2	NUTS 2_3	... n
NUTS 2_1	Number of relations	Number of relations	...	
NUTS 2_2	...	...		
NUTS 2_3	...			
... n				

### 2.9.2 Database on regional socio-economic development

The elaborated socio-economic databases have twofold purposes:

- general (NUTS2 level) – to access pre-conditions for transnational territorial cooperation (TTC) to be combined with the results of network analysis,
- specific (NUTS3) – to access pre-conditions for cross-border cooperation (CBC) be combined with results of case studies.

The indicators based on NUTS2 database deal, as much as possible, with conditions that shape transnational territorial cooperation evident in the literature review, namely:

- socio-economic characteristic (GDP per capita (different dimension EUR, pps, country average); GDP performance (real growth rate), GVA structure (6 sectors: agriculture, industry, construction, simple services, business services and market services ); labour market (employment and unemployment rate), demography (population change and its characteristic), human capital (higher education attainment),
- accessibility (direct: physical distance from the centre of Europe (Brussels) and from national capitals, international airports; indirect: importance of foreign tourist in regional economy),
- governance structure and funding (most of data disaggregated from NUTS0 level) (institutional settings (regional authorities and number of municipalities); significance and resources of local governments (share in public expenditures, share of taxes in total revenues, general public services expenditures),
- language skills (data disaggregated from NUTS0 level) (pupils learning foreign languages, self-perceived knowledge of foreign languages by adults).

The indicators within the NUTS3 database are more limited (restrained by the data availability) so include more general information such as:

- economic disparities (GDP per capita),
- economic complementarities (GVA structure),
- labour market similarity (employment and unemployment rates),
- demographic situation (density, natural increase, migrations),
- multimodal accessibility

Example of this database is presented Annex 6.5.

### **2.9.3 Database on TwinningCities**

The database, keeps the data at town level. The tables in the database are as follows:

- a) Cities – containing an internal city id, country id and gps coordinates

- b) City\_Names – containing the names of the cities in all available languages, with three columns: city id, language id, city name
- c) Partner\_Cities – containing two city id's (this will be a directed graph, because it is possible that one town lists another as a twin city but not the other way around)

When the data collection is finished, the cities will be 'matched' to each other in the network fashion. It will have to be decided if a "one way partnership" is enough or if we require that both cities list each other as twin cities. It is likely that the latter scenario will be rare, but it is hard to anticipate how untypical it will be. After the database is matched the data will be aggregated to NUTS 2 level and this will be the final product.

The template of the TwinningCities database is provided in Table 2-8 below.

**Table 2-8 Templates of data tables in TwinningCities database**

Basic data

	Number of agreements	Number of NUTS 2 connected directly (degree centrality)
NUTS 2_1		
NUTS 2_2		
NUTS 2_3		
... n		

Cooperation matrix

	NUTS 2_1	NUTS 2_2	NUTS 2_3	... n
NUTS 2_1	Number of relations	Number of relations	...	
NUTS 2_2	...	...		
NUTS 2_3	...			
... n				

**2.9.4 Database on transcontinental cooperation.**

The transcontinental case studies EU-North Africa (Spain-Morocco) and EU-Latin America (Spain-Uruguay and Spain-Argentina) collect both data on development as well as on types of territorial cooperation being there. So far the detailed data was collected on the socio-economic situation of the regions: Tangier-Tetuan (Morocco), Canelones (Uruguay) and Rosario (Argentina). They include information on economics, population, social progress (including poverty, etc.). Sample of the database is presented in Annex 6.6.



### 3. Preliminary findings and state of art in the project

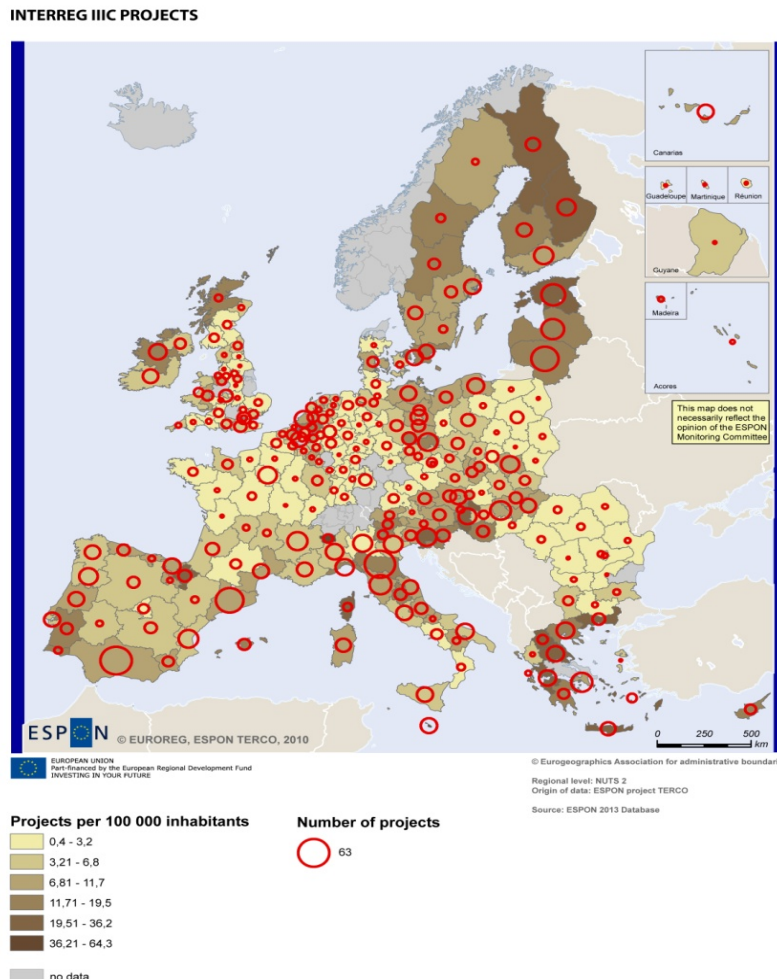
#### 3.1 Intensity and degree of TTC

##### *Intensity of cooperation*

We analysed 269 territorial cooperation projects in which 2671 partners were involved within INTERREG IIIC. As shown on the Map 3-1, in this type of cooperation most of the NUTS2 European regions were involved. The analysis revealed that:

- the largest number of projects in absolute terms (depicted as largest circles, which means 63 projects) are in the NUTS 2 regions of Spain, Italy, Latvia, Lithuania, and Estonia. So regions in those countries have the highest absolute intensity of cooperation.
- relative intensity of cooperation, measured by the number of projects / per capita (depicted by the colours of the background – the darker the larger the number) shows that **peripheral rather than central regions have more cooperation projects**.

**Map 3-1 Intensity of cooperation based on number of common projects**

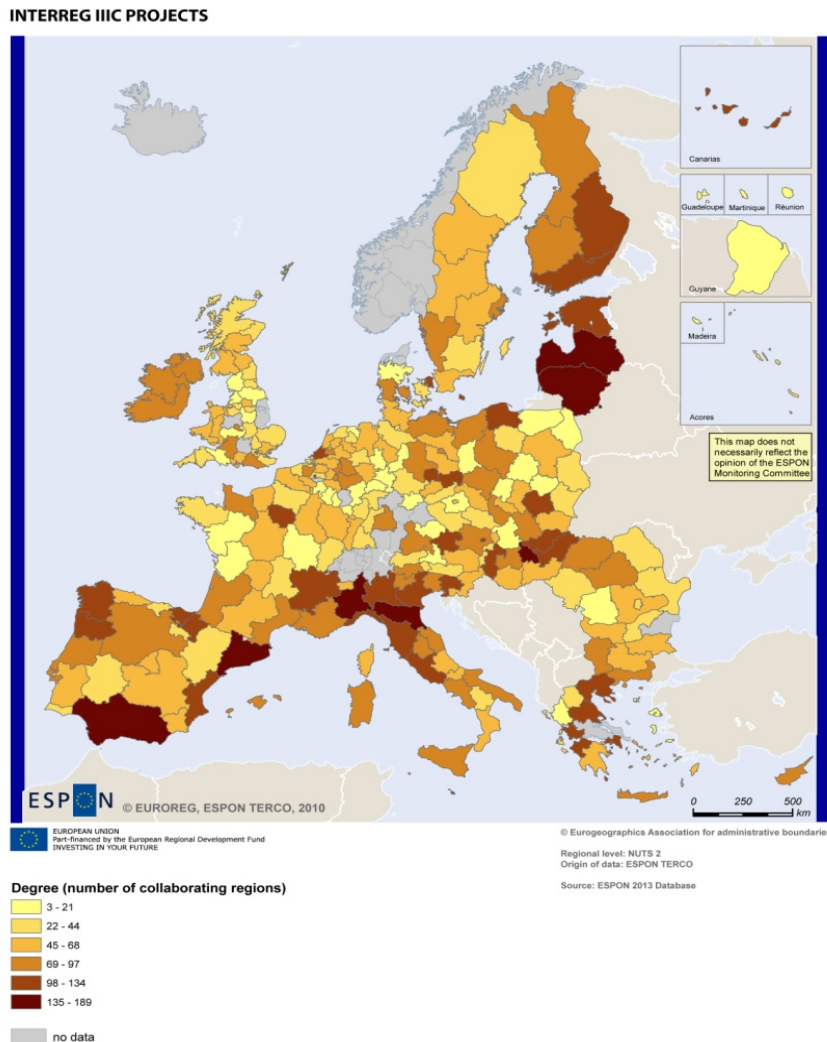


### *Degree of cooperation*

Each region was analysed according to the number of links it has, that is a number of other regions with which it cooperated, within INTERREG IIIC.

- The regions having cooperation with more regions than others were located primarily in Spain, Italy, Latvia, Lithuania, Greece, Finland, Ireland, etc.
- Comparing with the previous map, we can see quite a high correlation between the number of projects and number of cooperating regions (the degree of cooperation). So the more projects, the more regional scope, e.g. Spain, Italy, Latvia, Lithuania
- But not always this is the case, which will be showed in the next section.

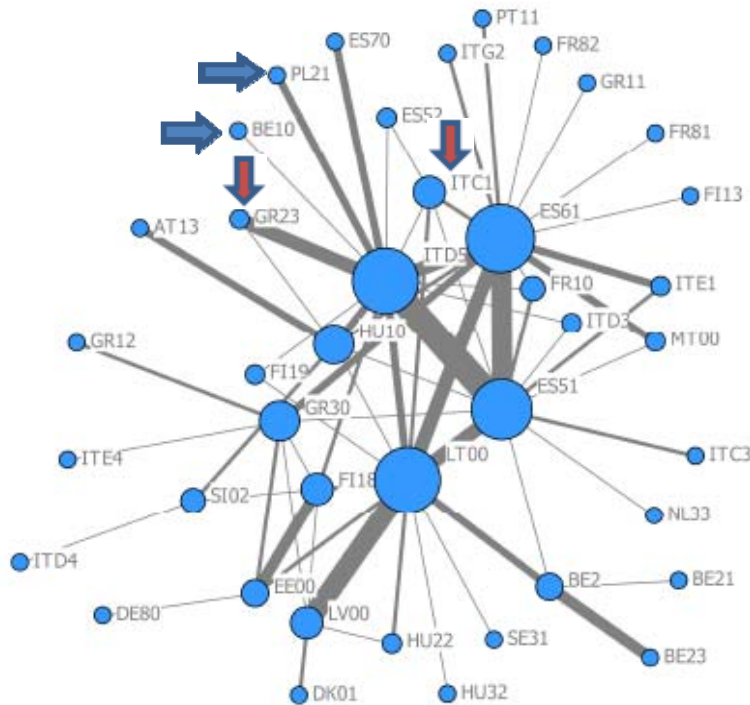
**Map 3-2 Degree of cooperation from number of collaborating regions**



### *Combinations of Intensity and degree of cooperation*

From all regions cooperating within INTERREG IIIC we selected a smaller network (see Map 3-3) in order to analyse in more details the relations among the regions there.

**Map 3-3 Sub-network of NUTS2 regions within INTERREG IIIC**



The analysis showed that there are indeed various combinations of degrees and intensities of cooperation among the regions. For example:

- Polish NUTS2 region PL21 and Belgium region BE10 cooperate with only one region - HU10 within INTERREG IIIC in the selected sub-network. So they have the same **degree of cooperation**. But PL21 has thicker line, which means that it has more projects with this region, hence it has higher **intensity of cooperation** than BE10.

The opposite is the case in the next example:

- Italian NUTS2 region ITC1 and Greek GR23 region have the same number of the projects (actually 22) so their **intensity of cooperation** is the same, but Greek region has lower degree of cooperation than Italian because the latter cooperates with more regions (so more lines sitck out of it on the picture, and it has a larger node, depicted as a circle).

### 3.2 Governance structures for TTC

The research focuses on INTERREG programmes and EGTC implementation, which both involve interventions that are diverse in terms of their scope, scale, geography, objectives and governance.

In relation to INTERREG, a range of approaches has been used to categorise the programmes. Programmes have been distinguished based on their 'degree of isolation' – as an expression of the type of problems and type of border - and their financial capacity (LDRP, 2003). The type of border and territories involved has also been used to differentiate between programmes, and in particular their approaches to management and implementation. On this basis, for INTERREG A programmes, a number of categories and subcategories can be identified:

1. EU 15 border programmes operating along the borders between the EU15 Member States
  - a. Some involving well-established cooperation spanning a number of programming periods.
  - b. Some cases with physical barriers impeding interaction (sea borders, high mountains or infrastructure deficiencies) or political or cultural tensions.
2. EU15-EU12 border programmes between 'old' and 'new Member States. Since enlargements in 2004 and 2007, programmes in these areas have faced the challenge of transforming themselves into internal-EU multinational, cross-border programmes.
3. EU12-EU12 border programmes involving programmes along borders between 'new' Member States that acceded to the EU in 2004 and 2007.
4. Multi-territory programmes involving cooperation between territories in more than two countries.
5. External border programmes with neighbouring countries
  - a. involving cross-border cooperation with Lichtenstein, Norway and Switzerland. In these cases, the non-EU partners have high levels of development, resources and organisational capacity, and the potential for effective cooperation is very good.
  - b. involving regions on the external border of the EU, including those bordering the Balkans, Bulgaria, Morocco and Russia.

Still more varied are the INTERREG IIIB transnational programmes which may have between 2 and 18 national partners. Some are relatively homogenous in terms of development situation, organisational capacity and experience (e.g. North Sea, North-West Europe, Atlantic Rim); others are much more diversified in composition, associated with major challenges of complexity and coordination (e.g. CADSES, ARCHIMED); and a few are primarily development oriented (e.g. Réunion, Caribbean) operating in remote areas with partners with limited capacity.



### 3.2.1 Institutional and governance arrangements: INTERREG

Within these groupings it is also useful to consider the governance arrangements of the programmes. At this stage in the research, it is only possible to make some preliminary observations on the governance of INTERREG programmes. However, as the work progresses more detailed assessments of the approaches to strategic management, project generation and selection and demonstrating impact and monitoring will be made. A specific aim is to consider the potential benefits and challenges of each approach. Could the varying responses offer lessons for contemporary and future cooperation, could they be applied to other forms of cooperation?

A number of INTERREG programmes do share broadly similar management and delivery approaches, with a standardised management structure and using procurement systems based around 'open calls' for tender. However, many of the programmes have developed distinctive management or delivery approaches over an extended period. Based on an initial review of INTERREG programmes one of the main distinctions that can be made in relation to the governance of the programmes are the extent to which various responsibilities are delegated from the 'top-down'.

All programmes have certain basic programme bodies – MA, Paying Authority, Monitoring Committee, Steering Committee (sometimes subsumed or merged with the Monitoring Committee) and JTS. Depending on the characteristics of the programme area or institutional requirements, some programmes have established additional intermediate arrangements (Taylor, et al, 2004; INTERACT 2005). The following sections review the main types of delegated arrangements.

#### (i) *Strategic management*

The approaches to managing INTERREG programmes generally reflect the different structures and systems for implementing Structural Funds across the EU and, more generally, the differences in public management (Aalbu, et al, 2005). For INTERREG IIIA programmes, the most common arrangement is for the Managing Authority (MA) and Joint Technical Secretariat (JTS) functions to be placed within a central government body (at national or regional level) or within a regional government authority. In a more limited number of cases, mainly in Austria, Finland, France, Germany and the Netherlands – and also including the Ireland-Northern Ireland programme – the MA and/or JTS tasks are carried out by a cross-border authority or independent organisation.

In a number of programmes, sub-programme implementing bodies take on MA tasks such as application assessment, subsidy contracts and first-level control (and in a few cases, the development of selection criteria and approval of projects). This delegation exists in some cross-border programmes, where there are area-specific 'sub-programmes', 'territorial pre-programming committees', 'regional auxiliary MAs' or other arrangements. Each delegated body tends to operate in a specific cross-border area of the programme region, and each has its own steering committee and/or secretariat to prepare and pre-assess applications and

proposals for decision-making (e.g. Italy/France Islands, Flanders/Netherlands, France/Wallonia/Flanders, Ireland/Northern Ireland).

*(ii) Implementation*

More common among INTERREG programmes is the delegation of implementation, often through a network of regional or local offices, supporting JTS functions such as project generation and strategic project development, receiving project applications and undertaking an initial check on acceptability, monitoring and publicity (e.g. Euregio Maas-Rhein, Germany/Bavaria-Austria, Kent-Sussex/Nord Pas de Calais/Picardie, Acores/Madeira/Canarias, Baltic Sea, Northern Periphery). Cross-regional or cross-national working groups are also sometimes used to identify and prepare joint projects (e.g. Austria-Hungary, Austria-Slovakia).

Also common among INTERREG programmes are decentralised arrangements for information and animation through regional offices or networks of local offices undertaking publicity, providing information and advice on project ideas, and encouraging projects from target groups (e.g. Franche-Comte/Rhone Alpes-Switzerland, Ireland/Wales, Saxony/Poland, Baltic Sea) Several transnational programmes also have networks of 'national contact points' or regional equivalents with similar functions (e.g. Alpine Space, Atlantic Space, NW Europe). Activities aimed at project generation and support are particularly important in the context of INTERREG as it is essentially a 'hollow' system, it needs to find new partners for policy delivery, as it is prevented from direct policy implementation by organizational and legal limitations (Perkmann, 1999, 664).

The specific systems for generating, selecting and supporting cooperation activities differ. Within the different various management and implementation structures the process of project selection/procurement varies, often with a mix of approaches. Open calls for projects are the most commonly used systems. All programmes appear to have some form of 'open call' system, whether operating at programme level or via the delegated arrangements described above, and in some cases applying to only part of the programme. However, a range of other approaches are used, usually used in addition to open call. At one end of the spectrum, strategic projects are designed to ensure that programme objectives are met with a limited number of large initiatives that have a demonstrable impact. At the other end of the spectrum, the seeding of projects and special funds are often designed to encourage the participation of smaller beneficiary organisations. Thematic/geographic calls and project shortlisting have elements of both of the above approaches. They can be used to help meet the strategic objectives of the programme by targeting programme resources in particular areas/fields (with thematic/geographic calls) or ensuring higher-quality applications (through project shortlisting).

*(iii) Monitoring and impact*

In the past, most INTERREG programmes suffer from a lack of clarity in the definition of common indicators and a lack of baseline data against which to measure progress, which has invalidated attempts at aggregating data collected from projects (Colomb, 2007, Taylor

et al., 2004, and INTERACT, 2006). Traditional approaches to monitoring and expressing impact and progress have been extremely problematic in the context of territorial cooperation. As Colomb (2007) argues, monitoring and evaluation approaches are commonly inadequate to investigate the processes of cooperation that characterise INTERREG, and the qualitative changes that may arise as a result. More recently, considerable efforts have been made to intensify the impact of cooperation programmes and capture and convey impacts. For instance, the 2007-13 Northern Periphery Programme requires projects to produce a 'tangible' product or service. Other programmes have worked to refine their monitoring systems to ensure that the both the tangible and intangible outputs of their cooperation efforts can be more accurately conveyed.

### **3.2.2 Institutional and governance arrangements: EGTC**

Governance arrangements for the majority of INTERREG programmes have evolved over an extended period. In contrast, The European Grouping of Territorial Cooperation (EGTC) arrangements are new, but have important implications for the governance of territorial cooperation. The EGTC was established the 5 July 2006, by Regulation (EC) 1082/2006 of the European Parliament and of the Council, and came into force on 1 August 2006. It allows public entities of different Member States to come together under a new entity with full legal personality.

EGTC is the result of a long standing desire, on the part of local and regional authorities and EU institutions, to develop a more efficient instrument for territorial cooperation. As such, EGTC initiatives are an excellent indication of a strong will to cooperate in the territories involved. For the purposes of this study EGTC offers cases where public actors were willing to cooperate, are actively engaged and facing, and responding to concrete problems and challenges. This practical experience allows the study to, for example, identify best practice and policy lessons.

As will be explained, the EGTC initiatives that already exist involve a wide geographic coverage (although they are weak in Northern Europe), different types of territories, forms of cooperation and approaches to governance. This form of territorial cooperation also involves cooperation not necessarily linked to EU funds. As a 'new' form of cooperation EGTC also offers the possibility to explore a new opportunities for cooperation territories in different countries.

This preliminary analysis begins to draw out some of the key differences in the approaches that the various programmes and initiatives take to operationalising territorial cooperation. As a more detailed analysis is undertaken, the advantages and disadvantages of each approach can be more thoroughly assessed and examples of innovative and best practice can be identified. The following sections introduce the general framework of the EGTC regulation and offer some initial insights into institutional and governance arrangements.

### 3.2.3 General framework of the EGTC regulation

The EGTC is the first European cooperation structure with a legal personality defined by European Law. It is designed to facilitate and promote territorial cooperation between public authorities (cross-border, transnational and interregional cooperation), in order to strengthen the economic and social cohesion of the European territory. It is optional to 'become' an EGTC. Thus, it has to be considered as a new tool for territorial cooperation, which is there to help when convenient; it is not supposed to become a constraint on cooperation.

According to EU definitions, territorial cooperation is always between two different states. It has an international character and has to follow an 'international agreement', even though initiatives from the Council of Europe (e.g. Madrid Convention, 1980, and additional protocols) have given sub-national bodies scope to maintain international contacts. In contrast, the EGTC is governed by the Regulation (EC) 1082/2006 of the European Parliament and of the Council. This Regulation is complemented by national provisions adopted by each EU Member State. Therefore, EGTC initiatives are governed and regulated according to a number of frameworks:

- The Regulation (EC) 1082/2006 of the European Parliament and of the Council;
- The provisions of the Convention and the Statutes adopted by the EGTC's members; and
- The Law of the Member State where the EGTC has its registered office.

This structure appears to offer a clear framework that can be applied across the EU Member States. However, there are different interpretations of the way this regulation has to be implemented following the countries. A regulation is supposed to be directly applicable in all EU Member States and be binding, without Member States having to enact domestic legislation. However, a level of uncertainty and ambiguity has surrounded arrangements for EGTC. EGTC arrangements have to be 'complemented by national provisions' and that several aspects are kept 'open' for decision by Member States. Thus, in practice, EGTC initiatives have to be approved by national governments. Linked to these ambiguities, some Member States are, considering EGTC as a directive and, therefore, not 'directly binding'.

In terms of the resources for EGTC, an EGTC may carry out actions of territorial cooperation, with or without a financial contribution from the EU (Art. 7 of the EGTC Regulation). The EGTC can be dedicated to the management and implementation of territorial cooperation programs or projects co-financed by the Community through the European Regional Development Fund (ERDF), the European Social Fund (ESF) or/and the Cohesion Fund. It can also use all other EU financial instruments. Crucially, it can implement tasks without European co-funding, as long as the overall objective is territorial cooperation.

Members of an EGTC can be: Member States, regional or local authorities, any other bodies governed by public Law. This multilevel governance element to EGTC offers major added value. Within in the same cooperation, State and infranational authorities can participate jointly. Currently, an EGTC has to be made up of members located on the territory of at least

two EU Member States. Therefore, it is not possible to use it for bilateral cross border cooperation with 'neighbourhood' countries.

In terms of the strategic orientation of the EGTC, members are required to unanimously agree a convention and adopt statutes on the basis of this convention. The convention sets out the following :

- the name of the EGTC and its registered office (located in a Member State);
- the territory of the EGTC; and
- the objective and tasks of the EGTC.

The EGTC statutes contain:

- the operating provisions for the EGTC's institutions and their competencies;
- the decision-making procedure of the EGTC;
- the working language(s);
- the arrangements for its functioning (personnel management, recruitment procedures, etc.); and
- the members' financial contributions.

Agreements on these aspects of the EGTC are of particular relevance for this study, when considering obstacles and challenges involved in the governance of territorial cooperation. For example, in the convention, the exact territory of the cooperation has to be specified, as well as the objectives of the cooperation, and the tasks it will undertake. This means that all authorities participating in the cooperation have to be involved in setting goals and agreeing structures. They have to be clear on the definitions and objectives, and must agree on them. The statutes introduce an accepted frame for working together, which, once agreed, reduces uncertainties and loopholes within the cooperation. Nevertheless, it could also 'block' cooperation process on very practical administrative matters. Such issues will be investigated in our analysis.

It is also important to note that work is on going on a revision of the EGTC regulation. According to Art. 17 of Regulation 1082/2006, the Commission is to present an evaluation of EGTC before the European Parliament and the Council of Ministers, by August 1st of 2011, and go on to propose a revision of the regulation. A special task group from DG Regio is currently working on this issue and the Committee of the Regions is closely following progress.

### **3.2.3.1 Institutional and governance arrangements**

In terms of the institutional and governance arrangements for EGTC, an important first step has been simply to have the relevant regulation adopted. Without progress on this issue, no EGTCs can be adopted. The ease and speed with which Regulation 1082/2006 has been

adopted at national (and regional levels when required) has varied across the Member States. The regulation was supposed to be fully adopted by August 2007. By March 2011, 25 Member States had completed the implementation process. A first group of countries (BG, HU, UK GR, PT, RO) adopted the EGTC in 2007. A second group (DK, EE, ES, FR, LT, PL, SK, SI) followed in 2008, while a third group (CY, CZ, FI, IE, IT LV, LU, NL, SE) completed their processes in 2009. In March 2011 AT, BE and DE have yet to complete their federal processes, and MT implemented the Regulation in January 2011.

The regulation has been adopted at different rates. It has also been adopted in slightly different forms. For instance, even in the countries where the regulation has been adopted, the inclusion of 'national provisions' mean that there can be there is are important divergences in approach, e.g. in relation to the opportunity for non EU 'third countries' to participate, who can/cannot be a member, potential scope of the cooperation (limited, unlimited) and the application of public or private law.

In terms of the organisational infrastructure for managing and implementing the EGTC, an EGTC is required to appoint:

- an assembly made up representatives of the EGTC members, which fulfils key tasks such as establishing an annual budget; and
- a director representing the EGTC and acting on its behalf.

EGTC members may also decide to set up additional institutions, for example a number of arrangements include a consultative assembly of non public authorities. Also, the ways in which multi-level governance approaches are applied appear to vary.

Based on a preliminary analysis of this new form of territorial cooperation, it is apparent that specific arrangements for EGTC already appear to differ. It is also possible to distinguish between EGTC arrangements according to the following criteria, which will be used to help select targeted case studies for the next stages of the research.

(i) *Cross border*

Belgium / France:

- Lille-Kortrijk-Tournai EGTC, 14 partners, from local level to State
- West-Vlaanderen/Flandre-Dunkerque-Côte d'Opale EGTC

Franco/German

- Strasbourg-Ortenau
- "Eurodistrict SaarMoselle

Portugal/Spain (municipalities grouping, province , around North of Portugal)

- ZASNET
- Duero-Douro
- Galicia-Norte Portugal

Spain /France:

- Euroregion Pyrénées-Méditerranée EGTC
- (in negotiation : Aquitaine/EUZKADI)

Hungary/Slovakia:

- "UTTS" (Ung-Tisza-Túr-Sajó) with partners from Hungary cities and Slovakia city of Prešov
- Abauj-Abaujban : 14 Local and Regional Authorities from Hungary and Slovakia
- Ister-Granum EGTC, with partners from Hungary and the Slovak Republic. (local government)
- Karst-Bodva EGTC

Dedicated to single project

Spain /France:

Hospital de Cerdanya: State + Region Puigcerdà, 26 April 2010. The President of Catalonia and the French Minister of Health and Sports

Italy /France:

- (in negotiation) parc naturel mercantur/Alpi maritimi
- parc marin des bouches de Bonifacio

(ii) *Transnational*

- GECT - INTERREG — Programme Grande Région - established on the 1 April 2010 with partners from France, Germany, Belgium and Luxembourg (registered office in Metz (France)). This new EGTC is the first to be established as the managing authority of an INTERREG Programme, in this case the INTERREG IV A Programme Grande Région

(iii) *Interregional (non contiguous territories)/Network :*

- Amphictiony: Greece, Cyprus, Italy and France
- Archimed: Italy, Spain and Cyprus : Islands Balearic Islands, Cyprus and the isle of Sicily

### 3.3 Specific border situations

Within the context of analysis of specific border situations, a typology for the EU internal and external border regions is under construction, interpreting the socioeconomic dynamics occurring within and across the EU space (EU-15 countries, new EU member-states, candidate EU member-states, European Neighborhood Policy countries). The actual typology, which will be based on specific Case Studies, aims to establish and provide a bigger picture on different aspects of Territorial Cooperation with regards to projects that are financed by the cross-border, transnational and inter-regional programmes.

According to the Committee of the Regions (EC, 2003) we are distinguishing three different models of cross-border and transnational territorial cooperation:

- Old cooperation models, based on traditional cooperation, accelerated with the EU support.
- Cooperation models which are a direct result from the EU support;
- Cooperation models which are a direct result from political changes and the accession or association with the EU (Eastern European countries).

To go hand in hand with the recent and rapid transformations concerning the establishments of new cross-border structures, we can highlight the importance of the 'time' variable (old - new) to the above models of territorial cooperation. Apparently, the older the cooperation the stronger are the bounds between two border areas (Medeiros, 2005).

In this light, according to another interesting piece of literature that tries to clarify the CBC process in Europe gives relevance to other three dimensions (Perkmann, 2003):

- The geographical scope: small-scale CBC initiatives can be distinguished from Working Communities that usually involve five or more regions;
- The co-operation intensity: referring to the strategic capacity gained by the cross-border body and its degree of autonomy vis-à-vis central state and other authorities;
- The type of actors: local (municipal) authorities can be distinguished from regional ('meso-level') authorities.

Gabbe (2005), underlines the 'space' variable, when he divides the territorial cooperation into two main types:

- National/Regional: essentially uses the government or other regional development structures. The CBC is based on recommendations and proposals, but not on binding decisions;
- Regional/Local: through Euroregion or similar structures, that work precisely with decision mechanisms which are binding to its members.

André and Moreira, (2006), go a bit further by analyzing the CBC individual interaction process, and divides it into four different types:



- Interactions which arise from natural neighbourly relations, which were produced in the past and have intensified in the present. These interactions originate mainly intangible flows or material flows with little economic significance;
- Interactions resulting from the unilateral use of opportunities of the market enlargement and where the existence of structural discontinuity in the barrier effect sharpens even more this situation. These interactions generate significant economic investment and have a significant importance in the development of the region (local, but also on other scales);
- Interactions that arise from the establishment of a true culture of cooperation and assume the existence of a common strategy in order to obtain capital gains on both sides of the border. This corresponds to bilateral interactions, with strong significance in integrated, harmonious and balanced local development in the border areas;
- Interactions that derive from a pseudo-border cooperation, resulting from different strategies from both sides of the border that originate an unbalanced and disconnected effect in the border areas. Often these interactions are mere by products of a separate logic of development, with minimal effects on the borders.

The exploration of specific border situations (case studies) in the framework of the TERCO project will shed some light to the causal relationships among border regions, territorial cooperation and socio-economic development. What is examined in particular, is the extent to which territorial cooperation could act as a catalyst which influences (is influenced by) the characteristic of the border regions of our focus. As far as the construction of a new Cross-border/territorial cooperation typology is concerned the following parameters are taken into consideration:

- A) Types of TTC based on territorial, functional and symbolic borders
- Physical properties (land, mountain, maritime...)
  - Regional location (properties of the neighborhood)
  - Type (physical, cultural/social, virtual, economic, political)
  - Permeability (border/visa regime, time requested to negotiate/cross, road quality)
  - Temporal dimension (past, present, future/scenario/model)
  - Subjects/objects crossing (in-out migrants, goods, ideas, pollution)
  - Resources (finance, personnel)
  - In-system (democratic quality, attitudes, cultures, conflicts)
  - Out-system (political properties of neighboring units, conflicts)
- B) Types of TTC based on Effects
- Economic
  - Political
  - Cultural/societal
  - Environmental
  - Temporal/short/medium/long term)

### 3.4 Conditions of Action at the EU External Borders

The interim results of TERCO indicate in the specific case of the EU external borders the issue of causality in the intensity and quality of TTC across state borders is heavily conditioned by the multilevel opportunity structures that either promote or discourage co-operation. This consideration goes beyond the mere existence of programmes underwritten by the European Union and emphasises the complementarity of political, economic and social agendas at the local/regional, national and European levels.

There is ample evidence of a strong policy commitment on the part of the EU to promote cross-border co-operation as a vehicle for regional development and the advancement of cohesion goals. This project operates from the assumption, furthermore, that the strategic development of urban networks across borders will be a central element in positively exploiting increasing interaction between the EU and its neighbours. However, to what extent do policy instruments actually facilitate such networking? Upon closer scrutiny, it becomes clear that territoriality principles regarding the use of EU funds create a distinct policy gap between “internal” development and “external” networking. With the INTERREG IV structural initiative, for example, there is now one Europe-wide programme supporting cross-border, interregional and transnational cooperation. However, almost all of this is focused on cooperation within the EU and very little on projects involving neighbouring states. In the July 2006 ERDF Regulation, strict tenets of exclusive territoriality governing the use of regional development funds are not only upheld but underscored. Similarly, CBC at the external borders of the EU is largely governed by ENPI, a completely different policy initiative operating under very different EU rules and administrative responsibilities than regional development and Cohesion Policy. This rather strict separation of EU internal and external activities makes sense in terms of inward-oriented cohesion goals (consolidation of the EU) but it does little in terms of pro-active strategies aimed at avoiding wider divisions between the EU and its neighbouring regions. For this reason, the issue of policy innovation, of combining internal consolidation of the EU with external engagement and co-operation should be explored and will be taken up by this project.

Preliminary research in the Finnish-Russian case indicates that while local and regional elites – including civil society actors – have actively developed and promoted CBC, mental borders and a lack of appropriate policies make this task daunting. Our research indicates, that the potential effects of the ENPI (as a co-funding instrument for TTC at the EU's external borders) is beset by a number of problems. Not the least of these is bureaucratic administrative procedures and, as mentioned above, a fragmented programme structure based on principles of EU and “non-EU” territoriality. In addition, many ambitious plans for cross-border development appear to be overly idealistic and lacking critical understanding of the logics of European and national structural policies – a most necessary resource in devising more feasible strategies and developing political arguments for potential policy alternatives.

Negative attitudes to the EU and serious problems in its promotion of CBC were reported in all case study contexts. In some cases this reflected views emanating from Russian TV and other media rather than direct experience, though the selective, bureaucratic and exclusionary tendencies in EU-sponsored CBC was itself an important criticism, and much of it was in fact based on direct experience, and from both sides of the respective borders. While mostly perceived positively as a source of funds, the EU was also seen as a source of prohibitive regulations which had resulted in the closure of some small businesses and job losses (e.g., in the fishing industry) and there were calls for financial support but less interference with local life. EU application procedures were often altered and were generally difficult to understand, problems exacerbated on the non-EU side of borders where there was less information and support for EU applications, or access was only indirect through a member state. Some thought the EU did not make due allowance for the fragile nature of civil society in Russia.

More serious, however, were two general contradictions in EU policy which affect the participation of local governments and civil society organisations in the Finnish-Russian case- problems which the EU will need to address. Firstly, there is a widespread perception (e.g., among most of those interviewed) that EU programmes are designed to suit the needs of state agencies and do not correspond to the needs and capacities of most civil society organisations that assist local governments in economic and social development. As a consequence, only a rather narrow range can be effectively involved in CBC. Our Russian-Finnish case study reveals that a few strong CSOs have skills in managing international projects and these are getting involved in EU programmes (e.g. organisations located in St. Petersburg) - with the implication many are not. There thus appears to be a general pattern of many local agencies and civil society organisations not bothering to apply for EU funding because of the complicated nature of the programmes and their own lack of appropriate management and language skills or difficulties in finding suitable CBC partners.

These specific issues will be treated in greater detail as TERCO progresses.

## **4. Further proceeding towards the Draft Final Report**

The next report will be the drafted version of the Final Report and is due to 2 March 2012. It will build upon the previous reports, and especially on the feed-back from CU and SB on this Report. In particular it will address the issues of: 1) new possible cooperation areas by TTC type (which are worth supporting within cohesion policy), 2) most appropriate domains of cooperation by TTC types (including the answer whether investments should be supported, and if so under which conditions and of which type), 3) specific territorial structures and borders which bring the highest potential for high return (in economic, social or environmental point of view) from the cooperation, 4) governance structures and implementation practices of cooperation (including the best practices).

At this stage, both primary and secondary data will be collected – all four databases will be almost completed and questionnaire as well as interview will be carried out (see the Timetable in Section 4.2). The databases will be included on CD as an attachments. Hence, the Report will show also the most relevant indicators (featuring cooperation and development) and maps (depicting typologies of cooperation and development) to support the results. Having all the data collected and ready, all tools and models will be in use in order to empirically address the research questions and test the hypothesis.

Literature was reviewed at each stage of the work, but final definitions and main notions will be reminded and supported with reference to relevant sources.

The Draft Final Report will conclude with some first policy recommendations on how to improve competitiveness of cohesion policy via support for transnational territorial cooperation.

The following section explains which milestones and deliverables will be completed in each Workpackage in order to generate the results promised in the project.

### **4.1 Next stages in each Workpackage**

#### **WP1: Coordination**

- Preparing 3 internal TPG meetings (June, September and December 2011)
- Preparing budget reallocation (to decentralize the External Services BL by partners )
- Preparing Progress Reports

#### **WP2.1: Overview of literature and data availability**

- Literature background for interpretation and comparison of our findings with other studies

#### **WP 2.2: Methodology**

- Completing pilot studies
- Mastering the questionnaires and interviews (taking into account the results of pilots) and transferring them in to electronic versions in national languages of the CS area

- Collecting primary data from all case studies (questionnaires and interviews)
- Running all tools and models
- Providing maps for visualisation of the main findings

### **WP 2.3: Identification of forms, domains and territorial scales of TTC**

- Providing database on TTC: on INTERREGS (A,B,C) and socio-economic data at NUTS2 level (where possible also at NUTS3); database on TwinningCities; database on transcontinental cooperation.
- Providing and mapping of most important indicators used in the analysis
- Proposing classifications of territorial cooperation

### **WP2.4: Statistical and network analysis, search for interrelationships between TTC and regional development**

- Producing results from all tools and models (estimates, typologies, etc.)
- Synthetic and subsynthetic indices of TTC in various breakdowns and aggregations, according to contents and institutional form of cooperation.
- Typologies of EU NUTS2 regions from the point of view of patterns of cooperation.
- General and specific patterns of interrelationships between TTC and regional development.
- Maps of networks of TTC on various territorial levels.
- Maps of indices of TTC and of established types of this cooperation, on the level of NUTS2.

### **WP 2.5: Identification of adequate domains and territorial structures for TTC and analysis of specific border situations in territorial cooperation**

- Producing reports from all Case Studies (
  - A report on identification of appropriate cross-border cooperation structures
  - A report on typologies of cross-border areas with suggestions for further policy encouraging cross-border cooperation

### **WP 2.6: Identification of driving forces of and governance structures for territorial cooperation.**

- Analysing governance issues from the case studies carried out within WP 2.5.
- Selection of targeted case studies on governance
- Designing questionnaires for in-depth interviews on governance
- Carrying out pilot interviews
- Carrying out targeted case studies
- Reports on governance including good practices

### **WP 2.7: Research conclusions and policy recommendations**

- Specifying initial conclusions and policy recommendations
- Discussing the preliminary results at ESPON seminars

TERCO TIME PLAN



## 4.2 TERCO Time table

	2010						2011						2012																							
	January - June						July-December						January - June						July-December																	
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>WP 1 - Management and Coordination (EUROREG)</b>	last Progress Report till 31.03.2013																																			
Start of the Project / End of the Projects	15																		31																	
Kick-Off (Luxembourg)							2																													
TPG Meetings:							28																													
1st Warsaw													17																							
2nd Brussels																			11																	
3rd Warsaw																																				
4th Glasgow?																																				
5th Madrid?																																				
6th Joensuu/Volos?																																				
7th Final Conference (?)																																				
ESPN Meetings							17																													
17-18.11.2010 Liege																			22																	
22-23.06.2011 Hungary																																				
Poland																																				
Inception Report							31																													
Interim Report													2																							
First Draft of Final Report																			2																	
Final Report																			1																	
Progress Reports Periods and Deadlines (financial and activity reports) (EUROREG with contributions by all partners)	31						31						29						30																	
Web-Page Design and Maintenance (EUROREG with help of Partners)																																				
<b>WP 2 by Methods</b>																																				
<b>LITERATURE AND DATA REVIEW - PP2</b>																																				
<b>DESK RESEARCH: META-EVALUATION</b>																																				
<b>MULTIVARIATE STATISTICAL ANALYSIS - LP</b>																																				
database for multivariate analysis																																				
first results																																				
final results																																				
<b>STRUCTURAL EQUATION MODELING - LP</b>																																				
questions for WP 2.5 questionnaires prepared																																				
graphical model specified																																				
data from questionnaire analysed																																				
final model and it's interpretation																																				
<b>NETWORK ANALYSIS</b>																																				
algorithms for extracting data on TwinCities from the internet																																				
pilot study																																				
first draft of database on TwinCities designed																																				
basic indicators from network analysis to multivariate analysis																																				
network analysis for INTERREG programmes																																				
final interpretation of the results																																				
<b>CASE STUDIES WP 2.5 - 8 case studies</b>																																				
case study areas precisely defined																																				
mapping of potential interviewees																																				
mapping of potential questionnaire respondents																																				
supporting data gathered																																				
questionnaires prepared																																				
first draft of the interviews prepared																																				
questionnaire pilot study																																				
questionnaires modified																																				
questionnaires sent																																				
data from questionnaires collected and coded																																				
data from questionnaires analysed																																				
draft of the interviews modified																																				
interviews scheduled and carried out																																				
interviews analysed																																				
final results																																				
<b>CASE STUDIES WP 2.6</b>																																				
overview of different models of territorial governance																																				
the range of the Case Studies defined																																				
target group for interviews selected																																				
semi-structured questionnaires for in-depth interviews designed																																				
results of WP 2.5 analysed																																				
pilot interviews carried out																																				
questionnaires for interviews modified																																				
interviews scheduled and carried out																																				
interviews analysed																																				
final results																																				
<b>TTC Typologies</b>																																				
data (results of all previous analysis) gathered																																				
typology developed																																				
final results																																				
<b>WP 2 by Deliverables</b>																																				
<b>2.1 LITERATURE AND DATA REVIEW - PP2</b>																																				
Review of topic relevant literature																																				
List of available data																																				
<b>2.2. METHODOLOGY - LP</b>																																				
Description of the statistical toolbox																																				
Description of network analysis																																				
Questionnaires for surveys conducted during the case studies																																				
Description of innovative mapping techniques and graphic presentations																																				
<b>2.3 IDENTIFICATION OF FORMS, DOMAINS AND TERRITORIAL SCALES OF TTC. CREATION OF DATABASES - PP4</b>																																				
Database on transnational territorial cooperation																																				
Quantitative and qualitative analysis of levels of activity in territorial co-operation																																				
<b>2.4 STATISTICAL AND NETWORK ANALYSIS. SEARCH FOR INTERRELATIONSHIPS BETWEEN TTC AND REGIONAL DEVELOPMENT - LP</b>																																				
Synthetic and sub-synthetic indices of TTC																																				
Maps of networks of TTC																																				
Typologies of EU NUTS2 regions																																				
General and specific patterns of interrelationships between TTC and regional																																				
Maps of indices of TTC and of established types of this cooperation																																				
<b>2.5 IDENTIFICATION OF ADEQUATE DOMAINS AND TERRITORIAL STRUCTURES FOR TTC AND ANALYSIS OF SPECIFIC BORDER SITUATIONS IN TERRITORIAL COOPERATION - PP5</b>																																				
Case-studies reports																																				
A report on identification of appropriate cross-border cooperation structures																																				
A report on typologies of cross-border areas with suggestions for further policy																																				
<b>2.6 IDENTIFICATION OF DRIVING FORCES OF AND GOVERNANCE STRUCTURES FOR TERRITORIAL COOPERATION - PP2</b>																																				
Case study analysis and qualitative data analysis of interviews with key policy-makers																																				
General frame for assessment/classification of territorial cooperation																																				
Comparison of different governance structures and legal instruments at different scales of cooperation																																				
Grid that ranks factors facilitating or hindering cooperation and the inter-relationships between the factors																																				
Map of the ways in which different cooperation areas have responded to varying framework conditions																																				
<b>2.7 RESEARCH CONCLUSIONS, POLICY RECOMMENDATIONS - LP</b>																																				
Draft Final Report																																				
Final Report																																				
<b>WP 3 - Dissemination</b>																																				
Mailing list																																				
Website designed and launched																																				
Working papers - website																																				
Conferences and seminars:																																				
ERSA																																				
ESPN seminars																																				
Executive Summary																																				

Activities  
Deliverables  
Meetings  
date

### 4.3 Dissemination

Currently the dissemination of the project is carried out via TERCO website, which is under the following link: <http://esponterco.wordpress.com/>. The main idea behind the website is to bring some value added over the information which is anyway presented at the ESPON's website of TERCO. In order to this we decided to translate all the contents of the website information into national languages of the Partners' and Expersts' involved, so currently we have the website in 7 languages: English, German, Polish, French, Finnish, Greek and Spanish. We plan to extend it possibly into more languages, prevailing at the territory of our case studies, e.g. Russian, Czech, Swedish, etc.

The example of how it currently looks (based on Greek subpage) is provided in Figure 4-1.

Figure 4-1 TERCO website in Greek

**Πληροφορίες για το TERCO**

TERCO – Ευρωπαϊκή Εδαφική Συνεργασία ως Παράγοντας Ανάπτυξης, Απασχόλησης και Ποιότητας Ζωής

Θέμα

Εδαφική συνεργασία σε διακρατικούς τομείς και διαμέσου των εσωτερικών/εξωτερικών Ευρωπαϊκών συνόρων.

Θεματικό πεδίο

Η εδαφική συνεργασία εκλαμβάνεται ως ένας από τους σημαντικότερους παράγοντες που συμβάλλουν στην καινοτομία η οποία είναι το κλειδί για την επίτευξη της αειφόρου ανάπτυξης και της απασχόλησης. Η Ευρωπαϊκή εδαφική συνεργασία διευκολύνει την ανταλλαγή, μεταξύ των λαών και των περιφερειών, εμπειριών και καλών πρακτικών στην περιφερειακή πολιτική, ανεξαρτήτως των υφιστάμενων συνόρων.

Τα υφιστάμενα Ευρωπαϊκά προγράμματα εδαφικής συνεργασίας έχουν συμβάλει στην απόκτηση εμπειριών σε διαφορετικές περιοχές, με διαφορετικές δομές. Ένας από τους στόχους της τρέχουσας περιόδου προγραμματισμού της ΕΕ (2007-2013) είναι η ενίσχυση της καινοτομίας και της περιφερειακής ανάπτυξης μέσω της διασυνοριακής συνεργασίας τόσο σε διακρατικό όσο και σε διαπεριφερειακό επίπεδο. Περιφέρειες και πόλεις από διαφορετικά κράτη-μέλη της ΕΕ ενθαρρύνονται να συνεργαστούν για την εξεύρεση κοινών λύσεων σε διάφορους τομείς. Η Πράσινη Βίβλος της Ευρωπαϊκής Επιτροπής για την Εδαφική Συνοχή, επίσης, αναφέρεται στην εδαφική συνεργασία και αποδίδει μεγάλη σημασία σε αυτή, στο πλαίσιο της Ευρωπαϊκής εδαφικής ανάπτυξης, για την μακροπρόθεσμη και βιώσιμη ανάπτυξη της ΕΕ.

Τα μελλοντικά θέματα που αφορούν την ενίσχυση της εδαφικής συνεργασίας δύναται να επωφεληθούν από ζητήματα που σχετίζονται με τους προσδιοριστικούς παράγοντες οι οποίοι προάγουν

**ΓΛΩΣΣΕΣ**

UK, Germany, Poland, France, Finland, Greece, Spain

**ΑΡΧΕΙΑ**

o Αρχική έκθεση

**ΣΥΝΔΕΣΜΟΙ**

o Ιστοσελίδα ESPON

**Απριλίου 2011**

Δ	Τ	Τ	Π	Π	Σ	Κ
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

« ΔΕΚ

Thanks to this website we currently:

- i) keep national policy stakeholders up to date with the result of TERCO
- ii) bring more information on ESPON to national audience beyond the territories covered by ESPON
- iii) communicate with partners via intranet
- iv) bring more information not only on the project's outputs but generally on the territorial policy

In the near future, we plan to expand the development of the website to include more interactive means of communication with the audience and policymakers. This will include:

- emailing list – updates sent by email to all who register for it on our website
- link to our CAWI questionnaire – since we plan to have electronic questionnaire, the project website is also a good place to put it, to target even a larger audience than planned
- short communications in a “blog type” fashion – for example short polls like: How much do you know about TTC: everything, quite a lot, not too much, little, very little and then we can compare among the countries to see some differences in awareness etc.
- Links to important national and international information/materials on territorial cooperation
- Bibliography on TTC
- Article, books, and other materials written by TERCO staff on the topic related to TTC

However, all the formal deliverables of the projects such as Inception Report, Interim Report, Draft Final Report and Final Report will not be directly downloadable from the TERCO website but linked to the ESPON website.



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COMMISSION REGULATION (EC) No 1638/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 October 2006 laying down general provisions establishing a European Neighborhood and Partnership Instrument.

## 6. Annexes

## 6.1 Annex: TECO Standardised Questionnaire



**TERCO Project 'European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life'**  
**ESPON applied research project under Priority 1 (2013/1/9)**

## QUESTIONNAIRE

### Introductory Information

TERCO, a European Project funded by the ESPON Programme, aims to assess the relationship between Transnational Territorial Cooperation (TTC) and the socio-economic development of the EU and its neighbouring regions. This questionnaire focuses on local, regional and sub-regional authorities, with specific case study areas encompassing new and old as well as internal and external EU regions. The TERCO objectives are (i) to identify factors characterising the different types of TTC, (ii) to validate current theoretical concepts on TTC, (iii) to draw lessons on the effectiveness of TTC types, (iv) to establish good practices for TTC, and (v) to draw conclusions on the different types of TTC and their corresponding impacts/results.

### TERCO Partnership

EUROREG-Centre for European Regional and Local Studies, University of Warsaw (Poland - Lead Partner)  
 EPRC-European Policies Research Centre, University of Strathclyde (Scotland)  
 IGEAT-The Free University of Brussels (Belgium)  
 UEF-The Karelian Institute, University of Eastern Finland (Finland)  
 DPRD-The Department of Planning and Regional Development, University of Thessaly (Greece)  
 UAM-The Autonomous University of Madrid (Spain)

**IMPORTANT!** The information provided is strictly confidential and will be used for research purposes only.

Please indicate whether you would you like to receive information about the results of this survey.

Yes   
 No

If 'YES', please provide your email address:.....

### Glossary of terms: Types of TTC

7. **Twinning cities** = Cooperation between two cities that have signed a twinning agreement.
8. **INTERREG A** = Cross-border cooperation among local/regional authorities/actors divided by national borders that face common problems requiring common solutions.
9. **INTERREG B** = Macro-regional cooperation among local and regional authorities located in a coherent geographic area sharing common assets and constraints.
10. **INTERREG C** = Cooperation among regional authorities on exchange of experience and good practices within one of four different zones (North, South, East, West).
11. **Transcontinental cooperation** = Cooperation among regional authorities located in different continents, e.g. Canelones in Uruguay with Canary Islands in Spain.

## Respondent Information

City/Municipality/Region	
Country	

### Q. Experience, intensity and degree of cooperation

Q1. Has your organization any experience in TTC projects? Please indicate YES/NO.....

Q2. If 'NO' in Q.1, please indicate to what extent each of the following factors hindered your organisation/authority from participating in TTC?

*(1= not at all relevant, 5= very relevant)*

		Not relevant		←→		Relevant
Q.2.1	Lack of interest and low expectations from TTC	1	2	3	4	5
Q.2.2	Lack of knowledge about the possibilities of TTC	1	2	3	4	5
Q.2.3	Lack of knowledge of potential partners	1	2	3	4	5
Q.2.4	Lack of knowledge about the administrative procedures	1	2	3	4	5
Q.2.5	Complicated and highly demanding EU regulations	1	2	3	4	5
Q.2.6	Cultural/ linguistic/religious difficulties	1	2	3	4	5
Q.2.7	Physical barriers	1	2	3	4	5
Q.2.8	Lack of political will at local/regional level	1	2	3	4	5
Q.2.9	Lack of funds for co-financing	1	2	3	4	5
Q.2.10	other reasons (please specify).....	1	2	3	4	5

**IMPORTANT!** If your answer in Q.1 is 'NO' please do not proceed any further. If your answer in Q.1 is 'YES' please proceed with the completion of the questionnaire.

**PLEASE NOTE!** If you are not in a position to respond to all the questions, please simply leave them blank and answer only the questions regarding the types of territorial cooperation your organization has been involved in.

Q3. Please indicate the types of cooperation in which your organisation/authority is currently involved, specifying the number of projects or twinning cities agreements:

No	TTC Type	Yes	No	Number of projects since 2007		
				1	2-5	>5
Q.3.1	INTERREG A					
Q.3.2	INTERREG B					
Q.3.3	INTERREG C					
Q.3.4	TRANSCONTINENTAL (any agreements with partners located on other continents)			X	X	X

Q.3.5	Twinning Cities - Number of current agreements with foreign partners	
-------	--	--

Q4. When did your organisation's/authority's involvement in transnational cooperation commence?

No	Time period	Twinning Cities	Interreg A	Interreg B	Interreg C	Transcontinental
Q.4.1	From 2007					
Q.4.2	1995-2006					
Q.4.3	Before 1995					

Q.5 Please indicate to what extent the number and type of partners, involved in the various forms of cooperation, have changed overtime?

No		Twinning Cities	Interreg A	Interreg B	Interreg C	Transcontinental
Q.5.1	All the same partners					
Q.5.2	Mostly the same partners					
Q.5.3	Similar number of previous and new partners					
Q.5.4	Mostly new partners					
Q.5.5	All new partners					

## 1. Domains

1.1 For each type of cooperation, please indicate the areas of activity/domains and assess the importance of this cooperation for your area's territorial development: (1=not important,....., 5=very important)

No	DOMAINS	Twining Cities			INTERREG A			INTERREG B			INTERREG C			TRANSCONTINENTAL		
		Yes	No	Importance	Yes	No	Importance	Yes	No	Importance	Yes	No	Importance	Yes	No	Importance
1.1.1	Economy			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.2	Natural environment			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.3	Culture			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.4	Education			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.5	Social Infrastructure			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.6	Roads			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.7	Other physical Infrastructure			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.8	Health			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.9	Tourism			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.10	Joint Spatial Planning			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
1.1.11	Other (please specify) .....			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5





2.2. If your organisation is involved in infrastructure investment projects, please indicate which types:

No	CRITERIA	TWINING CITIES		INTERREG A		INTERREG B		INTERREG C		TRANSCONTINENTAL	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
2.2.1	Roads										
2.2.2	Railways										
2.2.3	Waste water management										
2.2.4	Water supply										
2.2.5	Schools										
2.2.6	Hospitals and medical facilities										
2.2.7	Cultural facilities (theatres, concert halls etc.)										

2.2.8. Other (please specify).....

2.3 In your opinion, should infrastructure investment be a domain of transnational territorial cooperation?  
 (Yes/No) .....

2.4 If YES (to 2.3.), within which type of TTC should it occur:

TWINING CITIES	INTERREG A	INTERREG B	INTERREG C	TRANSCONTINENTAL

### 3. TTC Drivers

3.1. Please indicate the relative importance of the following factors for facilitating TTC in your area:  
(1=low importance ... 5=high importance)

3.1.1	High levels of growth (development) in your region	1	2	3	4	5
3.1.2	Presence of minority groups in the region	1	2	3	4	5
3.1.2	Favorable physical geography	1	2	3	4	5
3.1.4	High levels of infrastructure	1	2	3	4	5
3.1.5	Positive historical background	1	2	3	4	5
3.1.6	Common religion	1	2	3	4	5
3.1.7	Common language	1	2	3	4	5
3.1.8	Common culture	1	2	3	4	5
3.1.9	Previous experience of TTC programme implementation	1	2	3	4	5
3.1.10	Availability of funding	1	2	3	4	5
3.1.11	Favorable geopolitical position	1	2	3	4	5
3.1.12	Similar legal or/and institutional background	1	2	3	4	5
3.1.13	Active civil society	1	2	3	4	5
3.1.14	Shared environmental concerns	1	2	3	4	5
3.1.15	Business community with external links	1	2	3	4	5
3.1.16	EU membership	1	2	3	4	5
3.1.17	Political will	1	2	3	4	5
3.1.18	Other (please specify) .....	1	2	3	4	5

3.2. Please evaluate the relative importance of the following factors in hindering TTC in your area:  
(1=low importance ... 5=high importance)

3.1.1	Low levels of growth (development) in your region	1	2	3	4	5
3.1.2	Presence of minority groups in the region	1	2	3	4	5
3.1.2	Unfavorable physical geography	1	2	3	4	5
3.1.4	Inadequate infrastructure	1	2	3	4	5
3.1.5	Negative historical background	1	2	3	4	5
3.1.6	Different religions	1	2	3	4	5
3.1.7	Different languages	1	2	3	4	5
3.1.8	Different cultures	1	2	3	4	5
3.1.9	Lack of previous experience with TTC programmes	1	2	3	4	5
3.1.10	Lack of funding	1	2	3	4	5
3.1.11	Unfavorable geopolitical position	1	2	3	4	5
3.1.12	Different legal or/and institutional background	1	2	3	4	5
3.1.13	Inactive civil society	1	2	3	4	5
3.1.14	Absence of shared environmental concerns	1	2	3	4	5
3.1.15	Business community with no external links	1	2	3	4	5
3.1.16	Non EU member	1	2	3	4	5
3.1.17	Lack of political will					
3.1.18	Other (please specify)	1	2	3	4	5
	.....					

## 4. Resources

4.1. With regard to funds and staff, please assess the extent to which your organisation/authority provides adequate resources for participation in transnational cooperation projects.

( 1= sufficient resources , 5= no resources)

No	RESOURCE	Twinning cities					Interreg A					Interreg B					Interreg C					Transcontinental				
4.1.1	Funds	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
4.1.2	Staff	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5

4.2. In recent years, which of the following sources have funded your transnational territorial cooperation? Please indicate Yes/No and assess the level of significance:

(1=Low, 2=Medium, 3=High)

No	SOURCES	Twinning cities					Interreg A					Interreg B					Interreg C					Transcontinental				
		Yes	No	L	M	H	Yes	No	L	M	H	Yes	No	L	M	H	Yes	No	L	M	H	Yes	No	L	M	H
4.2.1	Own (your institution)			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3
4.2.2	Public-Private Partnership			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3
4.2.3	Foreign partners			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3
4.2.4	European Union funds			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3
4.2.5	National (public other than own)			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3
4.2.6	Other (please specify) .....			1	2	3			1	2	3			1	2	3			1	2	3			1	2	3

## 5. Attitudes toward cooperation

5.1 From your experience, please give your impression of the overall attitude of the following actors/stakeholders towards the different types of TTC:  
(-2=very negative attitude..... 0=neutral..... 2=very positive attitude)

No	Actors	TWINING CITIES	INTERREG A	INTERREG B	INTERREG C	TRANSCONTINENTAL
5.1.1	Local authorities	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2
5.1.2	Regional authorities	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2
5.1.3	Local residents	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2
5.1.4	NGOs	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2
5.1.5	Business	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2	-2 -1 0 1 2

## 6. Governance

6.1 Which organisations would you identify as the key stakeholders in initiating and delivering TTC in your area? For each initiative, please chose the 3 most important organisations and rank their importance, where 1=the first most important, 2=the second most important, and 3=the third most important

No	Organization	Twining Cities	Interreg A	Interreg B	Interreg C	Transcontinental
6.1.1	Local government					
6.1.2	Regional government					
6.1.3	National government					
6.1.4	EU-supranational					
6.1.5	Development agencies					
6.1.6	Chambers of commerce					
6.1.7	NGOs					
6.1.8	Euroregions and other cross-border institutions					
6.1.9	Consultants, external experts etc					
6.1.10	Other (please specify).....					

## 7. Impact

7.1 For the following themes, please indicate the level of impact of TTC on your municipality/region:

(1= minimal impact, 5= substantial impact)

No	DOMAINS	Twinning cities			Interreg A			Interreg B			Interreg C			Transcontinental		
		Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level
7.1.1	Economic growth			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.1.2	Job creation			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.1.3	Quality of life in general terms			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.1.4	Quality of life in terms of environmental management			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.1.5	Quality of life in terms of service provision			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5

7.2 In relation to the following cross-border flows/exchanges, please indicate how you perceive the impact of TTC on your municipality/region:

(1= minimal impact, 5= substantial impact)

No	FLOW	Twinning cities			Interreg A			Interreg B			Interreg C			Transcontinental		
		Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level
7.2.1	Volume of international trade			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.2	Volume of foreign direct investment (FDI)			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.3	Workforce commuters			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.4	Tourists (recreation, sightseeing)			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5

No	FLOW	Twinning cities			Interreg A			Interreg B			Interreg C			Transcontinental		
		Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level	Yes	No	Impact Level
7.2.5	Social commuters (e.g. visit to friends, shopping, etc)			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.6	Migrations			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.7	Educational exchange			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5
7.2.3	Other (please specify) .....			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5			1 2 3 4 5

7.3 For the following activities, please indicate the relative impact of the TTC within your municipality/region:

(1= minimal impact/contribution, 5= substantial impact/contribution)

No	Contribution	TWINNING CITIES	INTERREG A	INTERREG B	INTERREG C	TRANSCONTINENTAL
7.3.1	Networking cooperation among firms	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.2	Networking among civil society groups	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.3	Establishing TTC institutions (e.g. EUROREGIONS)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.4	Mutual trust (between people/organisations)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.5	Joint project preparation	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.6	Joint spatial planning	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7.3.7	Other(please specify) .....	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

## 8. Value-Added from TTC

8.1. If TTC project funds were unavailable, would you undertake similar activities/investments anyway? In case of which TTC?

		Twining cities	Interreg A	Interreg B	Interreg C	Transcontinental
8.1.1	Yes					
8.1.2	No					

8.2 If YES (in 8.1), please finish the sentences by including the numbers on scale 1-5 below, referring to time, scale, costs, and domains of TTC.

I would undertake similar activities/investments as I did within TTC indicated in 8.1, but they would be:

No		Twining cities	Interreg A	Interreg B	Interreg C	Transcontinental
8.2.1	<b>TIME</b> : 1= <i>much slower</i> , 2= <i>slower</i> 3= <i>same</i> , 4= <i>faster</i> , 5= <i>much faster</i>					
8.2.2	<b>SCALE</b> : 1= <i>much smaller</i> , 2= <i>smaller</i> 3= <i>same</i> , 4= <i>larger</i> , 5= <i>much larger</i>					
8.2.3	<b>COST</b> : 1= <i>much lower</i> , 2= <i>lower</i> 3= <i>same</i> , 4= <i>larger</i> , 5= <i>much larger</i>					
8.2.4	<b>DOMAIN</b> : 1= <i>same</i> , 2= <i>similar</i> , 3= <i>I do not know</i> 4= <i>different</i> 5= <i>opposite</i>					



## 9. Future prospects

9.1 Please indicate which domains/TTC areas of activity are most urgent for future development. Please identify the 3 most important domains and rank them, where 1= the first most important, 2=the second most important, and 3=the third most important

No	Domains	TWINING CITIES	INTERREG A	INTERREG B	INTERREG C	TRANSCONTINENTAL
9.1.1	Economy					
9.1.2	Natural environment					
9.1.3	Culture					
9.1.4	Education					
9.1.5	Social infrastructure					
9.1.6	Physical infrastructure					
9.1.7	Risk prevention					
9.1.8	Health					
9.1.9	Tourism					
9.1.10	Joint spatial planning					
9.1.11	Other					

Thank you very much for your cooperation !

## 6.2 Annex: TERCO In-depth Interview



**‘European Territorial Cooperation as a Factor of Growth,  
Jobs and Quality of Life’**

**TERCO**

ESPON applied research project under Priority 1 (2013/1/9)

### IN-DEPTH INTERVIEW - WP 2.5

This interview is part of a wider initiative to assess the relationship between **T**ransnational **T**erritorial **C**ooperation (TTC) and the development paths of the EU and its neighbouring regions. This research project is organized by EUROREG, the Centre for European Regional and Local Studies, University of Warsaw (Poland) with the participation of the European Policies Research Centre, University of Strathclyde (Scotland), the Free University of Brussels (Belgium), the Karelian Institute, University of Eastern Finland (Finland), the Department of Planning and Regional Development, University of Thessaly (Greece), and the Autonomous University of Madrid (Spain).

**PLEASE NOTE!** *Not all of the following questions may be applicable to each respondent. If it is not possible to provide an answer, simply leave question blank.*

**IMPORTANT!** The information provided in this interview is strictly confidential and will be used for research purposes only.

Would you like to be informed of the results of this survey?

Yes

No

If 'YES', please provide your email address: \_\_\_\_\_

## Respondent Information

\* The Interviewer fills in:

Name	
Organisation	
Function	
City	
Region NUTS II/III	
Country	

### 1. Physical areas of territorial cooperation

- 1.1 In what types of transnational territorial cooperation is your organisation involved? If this includes more than one type of TTC, which one has the greatest impact on this territory? Please explain how and why.
- 1.2 Based on your experience, which type of joint actions best increase the competitiveness of the cooperating regions/areas? Why does this happen?
- 1.3 Does TTC improve or intensify working relations between actors and organisations within the area (e.g. between regional/local and central government, NGOs and the public, etc.)?
- 1.4 <If applicable>: How could physical barriers such as coastal/maritime borders, mountains, etc. be overcome to enable cooperation?
- 1.5 Do you see potential for TTC to expand geographically in your area? If so, please elaborate.
- 1.6 Do you see potential for TTC to involve new partners in your area? If so, please elaborate.

### 2. Driving forces and domains of cooperation

- 2.1 Why is your organisation involved in TTC? What facilitates and what hinders TTC in this area?
- 2.2 In your opinion, in which domains<sup>6</sup> are the cooperation efforts most developed in this area?
- 2.3 Are any types of cooperation better adapted to specific domains (e.g. economic, social, cultural) or towards addressing specific issues?
- 2.4 Can any synergies be created among the domains supported by TTC in this area? If so, please elaborate.
- 2.5 Should infrastructure be supported under transnational territorial cooperation schemes? If so, why, and which particular type of investments?

<sup>6</sup> Examples of domains: economy, natural environment, culture, education, social infrastructure, roads, other physical infrastructure, health, tourism, and joint spatial planning.

2.6 Do you see potential for TTC to develop a new focus/direction or new domains of cooperation in your area? If so, please elaborate.

### **3. Territorial structures and specific border cooperation**

3.1 What territorial structures (e.g. river and maritime basins, Euro-corridors, urban areas) are most desirable for TTC? Please explain why.

3.2 What are the main opportunities for your area from cooperation with non-EU regions/countries? Please give specific examples for various partners/regions/countries.

3.3 Has TTC improved 'external' relations with your neighbour region/country? Please explain how for each region/country separately.

3.4 What conditions must be satisfied for TTC to increase the competitiveness of cooperating regions?

3.5 What kind of investments might be needed to facilitate TTCs?

3.6 Based on your experience, what are the main challenges involved in TTC across external EU borders?

### **4. Governance structures and implementation of cooperation**

4.1 Which organisations and actors would you identify as being the key partners in organising and mobilising TTC in your area? How regularly do key partners meet?

4.2 Which legal instruments are in place to facilitate TTC?

4.3 To what extent do the institutional framework conditions (national laws, regulations, etc.) play a role in cooperation, as distinct from the usual (formal and informal) practices?

4.4 What are the main institutional difficulties related to TTC (if any) and how can they be overcome?

4.5 Please describe the features of TTC governance structures that, according to you, work best: centrally vs locally driven, highly institutionalized vs loosely organized, closely regulated/managed vs open/flexible, narrow involvement of stakeholders or broad partnership, etc.

4.6 Based on your experience, can you highlight examples of 'good practice'<sup>7</sup> in the management and implementation of TTC (i) in your own area and (ii) in other areas? Please elaborate/explain.

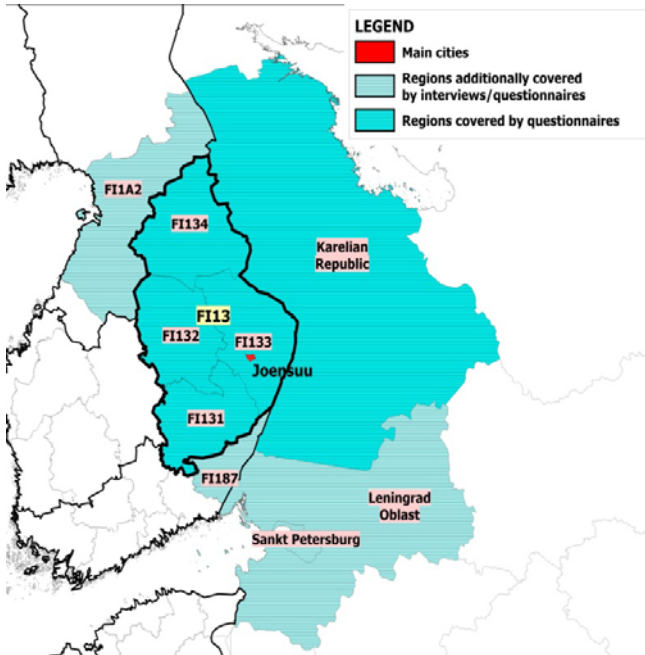
4.7 Do you see potential for TTC to involve new methods and strategy in your area? What would be of greatest help for future TTC? Please elaborate.

**Thank you very much for your participation!**

<sup>7</sup> Good practice is defined as an initiative (including methods, processes, activities, techniques, etc.) that has already proved successful and which has the potential to be transferred to a different geographical area.

## 6.3 Annex: Case Study: detailed description of the regions

### 6.3.1 Finland-Russian Federation



#### *Geography*

In Finland, the case study covers primarily, the entire NUTS 2 region of Eastern Finland (FI13); as well as two further NUTS3 regions: South Karelia (FI 187) and Northern Ostrobothnia (FI 1A2). These altogether mean a vast area of 129,527 km<sup>2</sup>. The adjacent Russian regions considered in TERCO are the Karelian Republic, Leningrad Oblast' and St. Petersburg, the combined area of which is over 258,000 km<sup>2</sup>. About half of the total length of the EU external border between Finland and Russia runs here mostly through uninhabited taiga forests and low-density rural areas.

The case study area in general is very sparsely populated, covered in forest; the main exception is the metropolis of St. Petersburg (4.6 million), about 150 km from the border.

#### *Administrative structures*

Eastern Finland (NUTS2) has no administrative functions; it is composed of the regions of Kainuu (FI 134), North Savo (FI 132), North Karelia (FI 133) and South Savo (FI 131) governed by regional councils, which serve as forums of cooperation for the municipalities and have tasks in regional planning and development policy. The only region where a popular election is held for the council is Kainuu, elsewhere regional councils are elected by municipal councils as part of an administrative test case, each municipality sending representatives in proportion to its population. The regions of N. Ostrobothnia and S. Karelia represent also this administrative level. Currently (2011), there are altogether 61 municipalities in Eastern Finland, and 34 in N. Ostrobothnia, and 10 in South Karelia, respectively. The regional centres are Kajaani (of Kainuu, 38,000), Kuopio (of N. Savo, 97,000), Joensuu (of N. Karelia, 73,000), Mikkeli (of S. Savo, 49,000), Oulu (of N. Ostrobothnia, 142,000), and Lappeenranta (of S. Karelia, 72,000).

East of the border, Karelian Republic is one of the 21 republics of the Russian Federation, and is part of the Northwestern Federal District: it is to some extent, autonomous, which means that it has an own constitution, president (though, since recently, federally appointed), own parliament, and is allowed to establish its own official language alongside Russian; however, it is represented by the federal government in international affairs. Leningrad Oblast', on the other hand, represents the most common type of federal subjects in Russia (one of 46 oblasts), with federally appointed governor and locally elected

legislature. St. Petersburg, with the status of Federal City, is a separate administrative unit inside the Leningrad Oblast'. On the Russian side of the border, other, though much smaller urban centres are for example, Gatchina (88,000) and Vyborg (78,000) in Leningrad Oblast', as well as Petrozavodsk (270,000), Kostomuksha (30,000) and Sortavala (19,000) in the Karelian Republic.

### *Economy*

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Eastern Finland can be regarded as a textbook example of a region which has suffered from its location next to a closed border. Its production structure, and also its settlement structure, has been dominated by the forest sector. Even though the employment of the sector has declined during the last decades, the pattern is still visible in the production structure: the share of the primary sector is considerably above the national average, especially in the northern part of the border region, whereas the south-eastern territories rely on heavy industries, in which paper and pulp production plays a major role. At the sub-regional (LAU 1) level, the main differences follow the urban/rural division. Although the change of border regime after the collapse of the Soviet Union resulted in positive anticipations in the early 1990s, the expectations of economic growth and structural renewal only materialised to a limited degree. GDP per capita in Eastern Finland is 75% of the national average, the figures for S. Karelia and N. Ostrobothnia (92 and 89% respectively) are also below the Finnish average.

### *Social and demographic situation*

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Population densities of the Finnish regions (NUTS 3) in the case study area vary between 3 and 19 inh/km<sup>2</sup>, Eastern Finland has an average of 8 inh/km<sup>2</sup>. On the Russian side, in the Karelian Republic larger areas with extremely sparse population can be found, which distinguishes this region from the population concentrations of St. Petersburg and its agglomeration area in Leningrad Oblast'. A common feature of the border region is that it is continuously losing population especially due to out-migration towards the Helsinki area on the Finnish side and to St. Petersburg on the Russian side. Rural municipalities are depopulating; within the case study area, the few exceptions are regional capitals that attract migrants from their rural hinterlands. It is important to note, however, that immigration from Russia is the most significant in Finland to S. Karelia and has had considerably high levels to N. Karelia; the rate of Russian immigration has been fast increasing in recent years. From among the four large regions of Finland, Eastern Finland is the only one which is forecasted to lose population over the coming decades; the decrease is estimated to be 5.4% by 2040. On the NUTS 3 level, all but one region in the case study area (N. Ostrobothnia) lost population (1-5%) between 2000 and 2006. Furthermore, unemployment in 2008 was everywhere higher than both the national and the EU27 figures (ranging between 120 and 175% of those averages) except for the region of S. Karelia (around 100%).

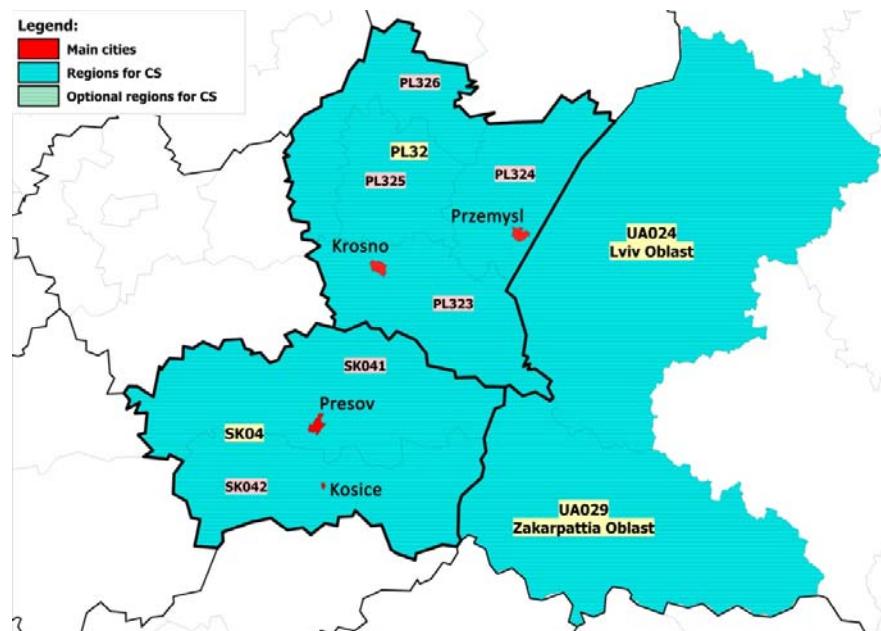
### *Transnational flows - the role of the border*

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Through the initiative of the Northern Dimension of EU policies, instead of being dealt with hard geopolitics, the border has been softened and “deproblematised”, perhaps even depoliticized. The aim of the central governments is to utilize the border rather as an active resource for local and regional social actors who perceive the border and its future in the light of everyday cross-border interaction. The opening of the border, most importantly in the form of new crossing points, has facilitated a rapid increase in the total volume of cross-border traffic. There are nine international border crossing points on the Finnish-Russian border. When compared to the length of the border (approx. 1300km), it is clear that, particularly in the northern parts, border crossing points are few and far between. According to the Finnish Border Guard, the total amount of annual border crossings grew from 0.99 million in 1990 to 5.6 million in 2000, and then to near 8.4 million in 2010. About a third of this traffic goes through the busiest crossing point at Vaalimaa-Torfyanyovka (to St. Petersburg and Vyborg).

The main transport links between Finland and Russia pass through the southern section of the border (in the Southeast Finland – Russia Interreg A programme region), also acting as the primary connections from Scandinavia to Russia via Finland. The busiest crossing points and those dealing with the largest volumes of goods are also here; the southern corridor is also part of the EU’s TEN-T Nordic triangle railway/road axis.

### 6.3.2 Poland-Slovakia-Ukraine



#### Geography

The case study covers one NUTS 2 in Poland (PL 32: Podkarpackie Voivodeship), one in Slovakia (SK 04: Eastern Slovakia) and two NUTS2 in Ukraine (UA 024: Lviv Oblast and UA 029: Zakarpattia Oblast). Whole case study area is 68 182,06 km<sup>2</sup>, half of which is in Ukraine (34,610 km<sup>2</sup>), while Slovakian and Polish parts are smaller and approximately equal (17,846 km<sup>2</sup> in Poland and 15,726 in Slovakia km<sup>2</sup>).

This region is quite mountainous, especially in close proximity to borders and in Zakarpattia Oblast. Plains are situated mostly at the north part of Podkarpackie Voivodship and Lviv Oblast. Also some southern areas on Slovak-Ukrainian border are lowlands. The case study area is mostly rural, with a few big cities like Lviv, Kosice and Rzeszow. Mountain areas are mostly covered by forests.

### *Administrative structures*

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Podkarpackie Voivodship is the most southeast part of Poland. It is administrative unit of the highest regional level governed by local council chosen by general elections. At voivodship level there are also some central government institutions. It is divided into 4 subregions (NUTS 3) 25 counties (LA U1 - 4 of them are urban) and 159 municipalities (LAU 2). Major cities in Podkarpackie Voivodship are Rzeszow (172,000), Przemysl (67,000) Tarnobrzeg (49,000) and Krosno (47,500).

Eastern Slovakia (NUTS 2) has no administrative functions; it is composed of the regions of Kosice and Presov. At this level the public administration has a system of self-government and a system of state administration; regions enjoy certain degree of autonomy since 2002. Presov Region is divided into 13 divisions and almost 700 municipalities (including 23 cities). Kosice Region is divided into 11 divisions and almost 500 municipalities (including 17 cities). Major cities in Slovakian part of case study area are capitals of regions, namely Kosice (233,000) and Presov (91,000).

Ukrainian part of case study consists of two oblasts (out of total 25 Ukrainian oblasts, 2 cities of state significance and Autonomous Republic of Crimea). Since Ukraine is unitary state all oblasts have equal legal status and similar administrative structure which consists of elected oblast council and oblast state administration which head is appointed by the President. As for their administrative structures, Zakarpattia Oblast consists of 13 rayons (districts) and 11 cities (incl. 5 cities of oblast significance), and Lviv Oblast consists of 20 rayons and 44 cities (incl. 9 cities of oblast significance). The biggest cities include oblast capitals Lviv (760,000) and Uzhhorod (115,000), plus Mukachevo (83,500), Drohobych (98,700), and Stryi (60,300).

### *Economy*

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Case study regions could be characterised as a periphery for all three countries. There are great distances between regions and capital cities as well as economic centres of Poland, Slovakia and Ukraine. GDP per capita in Podkarpackie Voivodship and Eastern Slovakia is significantly below the national average (approximately 70%). Situation in Polish region is quite stable in the wake of economic crisis, however the gap in GDP between Slovakian case study area and most developed regions is widening. The gap between Ukrainian case study regions and national average level is even greater, in particular in Zakarpattia Oblast which experienced significant decline in recent years and where GRP (Gross Regional Product) is 50.8% of national average (2009). At the same time GRP per capita in Lviv Oblast is relatively stable at the level of 71.1%

Majority of case study areas are highly dependent on agriculture, although its role is gradually decreasing over the last years. It is reflected in the structure of employment where share of agriculture jobs reaches 25% in Podkarpackie Voivodship and 25.2% in Zakarpattia



Oblast. At the same time agriculture employment in Presov region is only about 5%. Share of industry in regional output and employment is significant in Slovakian and Poland regions. It is less substantial in Ukrainian oblasts (16% and 12% of population are employed in industry in Lviv and Zakarpattia oblasts respectively). Podkarpackie Voivodship is experiencing dynamic growth of aviation industry which is based on old industrial facilities.

Case study region is endowed with natural resources which traditionally were the basis for local industries. However their significance is gradually decreasing. On the other hand all regions are experiencing growth in services sector. Polish regions are least reliant on services due to importance of industry and agriculture and also due to smaller urban population comparing to Ukrainian and Slovakian parts.

### *Social and demographic situation*

---

Total population of case study region is approximately 7,470,000 inhabitants. Half of them lives in Ukrainian part (3,796,000), while the smallest share of region's population lives in Slovakia (1,582,000). Population of Podkarpackie Voivodship is stable; in 2000-2008 it decreased only by 0,1% mainly due to emigration. At the same time population in Eastern Slovakia is increasing: by 1.8% in 2000-2008, mainly due to high natural growth. In Ukrainian part of case study region situation is diverse. While Lviv Oblast experiences depopulation due to both negative natural growth and emigration, Zakarpattia Oblast is one of two regions of Ukraine where population is growing due to positive natural growth.

Population density is highest in Polish part of case study (117,5/km<sup>2</sup>) and lowest in Slovakian part. Especially low population densities are observed in Presov Region (89,9/km<sup>2</sup>) and Zakarpattia Oblast (97,3/km<sup>2</sup>), mainly due to the fact that they are dominated by mountainous areas. Economic crisis caused surge in unemployment in all case study areas, though in Ukrainian oblasts it decreased in 2010 comparing to 2009.

Regions have below average share of population with completed tertiary education. It reaches 18.3% in Podkarpackie Voivodship, 10% in Eastern Slovakia and 28% and 24% (2001) in Lviv and Zakarpattia oblasts respectively.

### *Transnational flows - the role of the border*

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In 2008 Poland and Slovakia have joined Schengen Agreement, so there is free flow of people through border between Podkarpackie Voivodship and Eastern Slovakia. It had positive though local impact on people's flows. On the other hand, Slovakia's and Poland's joining Schengen Area meant that crossing the border has become much more difficult for Ukrainians who now need visa. Ukraine has cancelled visas for EU citizens and thus Polish and Slovakian citizens can travel to Ukraine freely. It creates significant disproportions to the people's flows across the borders and undermines local livelihoods on Ukrainian side of the border. Stricter border control affected both legal and illegal trade with Ukraine, though the latter is still flourishing in some areas, albeit at lesser scale.

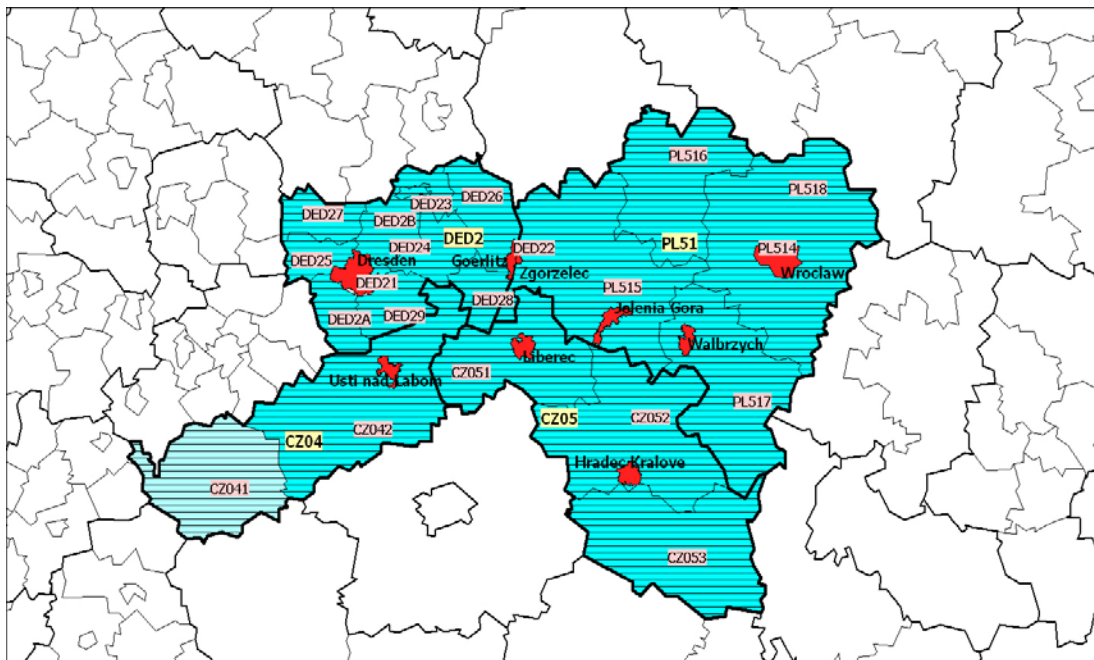
There are several major road transport corridors in case study area. One of those - III Pan-European transport corridor Dresden-Kyiv – is crossing Polish-Ukrainian border and running through Podkarpackie Voivodship and Lviv Oblast, connecting cities of Rzeszow, Przemysl and Lviv. Another corridor - V Pan-European transport corridor from Balkans to Kiev – is of

lesser significance; it is crossing Slovakian-Ukrainian border (branch A) at Vysne Nemecke/Uzhhorod border crossing. There are no significant transport routes through Polish-Slovakian border.

Case study area is covered by two ENPI CBC programmes:

1. Poland-Belarus-Ukraine Programme with the total budget of 186.3 million Euro for 2007-2013. Its priorities are: (1) increasing competitiveness of the border area; (2) improving the quality of life; and (3) networking and people-to-people co-operation.
2. Hungary-Slovakia-Romania-Ukraine Programme with the total budget of 68.6 million Euro for 2007-2013. Its priorities include: (1) promote economic and social development; (2) enhance environmental quality; (3) increase border efficiency; and (4) support people-to-people co-operation.

### 6.3.3 Poland-Germany-Czech Republic



#### Geography

The case study area consist of neighbouring four NUTS 2 units: one in Poland (Dolnoslaskie Voivodeship, PL 51), one in Germany (Dresden, DED 2) and two in Czech Republic (Severozápad CZ 04 and Severovýchod CZ 05). Each of these regions is a border region neighbouring at least two other units investigated in this case study. All three regions cover an area of almost 50,000 km<sup>2</sup>. Northern and southern part of this case-study area is flat country while it's central part is high-mountain with Sudetes Mountains. The area has relatively well established and diversified transport system.

## *Administrative structures*

---

Dolnoslaskie Voivodeship is one of the 16 Polish NUTS 2 regions which have regional authorities chosen in regional elections. The voivodeship is divided into five NUTS 3 units (Jeleniogorski, Legnicko-Głogowski, Walbrzyski, Wroclawski and the city Wroclaw – Voivodeship’s capital city), 29 LAU 1 units (3 of which are urban) and 169 municipalities (LAU 2 units). Until 2008 the administrative region of Dresden consisted of 11 districts, three of them being city districts. As a result of Saxony’s district reform in 2008 the region of Dresden is now only divided into five districts (Dresden, Bautzen, Meißen, Görlitz and Sächsische Schweiz-Osterzgebirge) and inhibits with the city of Dresden now only one city district, which is also the capital of the administrative region and the Federal State. In total, the region comprises 193 municipalities (LAU 2) of which 59 are urban. Severovýchod (Northeast) is a statistical NUTS 2 unit. It is composed of three NUTS 3 units: Liberec Region, Hradec Králové Region and Pardubice Region. Severozápad (Northwest) includes two NUTS 3 regions: the Karlovy Vary Region and Ústí nad Labem Region. Two investigated Czech regions are divided into 23 districts (LAU 1) and 1605 municipalities (LAU2). So entire case-study area consist of four NUTS 2 units, fifteen NUTS 3 units, and 1967 municipalities.

## *Economy*

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In absolute terms the poorest region in the entire case study area is Dolnoslaskie Voivodeship with GDP per capita PPS in 2007 accounted for 8,900 euro. In Czech regions this indicator was higher, but still relatively low (9,500 and 10,100 euro) while in Dresden it was more than two times higher – 22,400 euro. But if we consider relative values i.e. related to the national average, the picture is quite opposite. In 2007 GDP per capita in Dresden accounted only for 76% of national average, in Czech regions it was 77% and 82%, while in Dolnoslaskie – 109%. This picture could be completed with the information about the productivity level (PPS) in 2005 in relation to the national average – in Polish region productivity was a little bit higher than in the whole country, while in Dresden and Czech regions – much lower (respectively 75%, 79% and 85%). Although Dresden is among the poorest German regions it’s average annual GDP growth rate of 4,3% (2000-2007) is one of the highest in the country (172% of national figure), but at the same time – the lowest in the case study area. The highest growth rates were in Czech regions (12,4% and 13,4%) but in relation to the national average they weren’t so high – only 83% and 89% of the national figure. Polish region with 11,1% average annual growth (2000-2007) rate is since 2005 the most dynamic region in Poland (116% of the national average).

Unemployment rates in the case study area are quite diversified, especially in relation to the national or EU27 average. In 2008 the lowest rates were in Czech regions – only 4% in Severovýchod (91% of the national average) and 7,8% in Severozápad (177% of the national average). In Dolnoslaskie region the rate was higher – over 9% – but in relation to the national average accounted only for 128%. The highest unemployment rate was in Dresden – 12,3% (164% of the national figure). Only in Severovýchod region unemployment rate was lower than EU27 average (57%), and in Dresden it accounted for over 175% of EU27 average figure. At the same time unemployment rate in 2001-2008 decreased the most in German region (by almost 60%), while in Polish region only by 2,1%, and in Czech regions it increased – by 33% in Severozápad and by 15,3% in Severovýchod.

Economic characteristics of four NUTS 2 regions are diversified not only between countries, but also within regions. The most economically diversified is Dolnoslaskie Voivodeship, where GDP per capita in relation to the national average varied in 2007 from 168% in Legnicko-Glogowski NUTS 3 unit (which economy is based on copper industry) and 148% in the city of Wroclaw (one of the largest and most dynamic city in Poland) to 77% in Jeleniogorski and 79% in Walbrzyski NUTS 3 unit. In German region economic development level was much less internally diversified. GDP per capita exceeded the national average only in the Kreisfreie Stadt Dresden (103%), while in the remaining NUTS 3 units it varied from 54% in Sächsische Schweiz and Hoyerswerda (Kreisfreie Stadt) to 75% in Görlitz (also Kreisfreie Stadt). Similar situation was in Czech regions where GDP per capita accounted for from 72% of the national average in Karlovy Vary region to 85% in Hradec Králové Region. In Czech regions also annual growth rate 2000-2007 (in relation to the national average) was similar in all NUTS 3 units and always lower than national figure (from 72% in Karlovy Vary and Liberec Regions to 97% in Pardubice Region). More diversified was in these terms Polish region where average annual change in GDP per capita (2000-2007) varied from 69% of the national average in the poorest Jeleniogorski subregion to 182% in the richest – Legnicko-Glogowski. In Dresden region the situation was even more complex, since the highest annual growth rates were noted in relatively poor Niederschlesischer Oberlausitzkreis (346% of the national average) and the lowest (68% of the national average) – in one of the poorest NUTS 3 unit in the whole Dresden region i.e. Hoyerswerda (Kreisfreie Stadt).

All four regions have industrial character, with relatively higher agriculture role in Czech regions and tourism in Sudeten regions (Dolnoslaskie and Severovýchod). Although the highest numbers of nights spent by non-residents in 2008 were noted in Czech regions, the highest change of this indicator in 2000-2008 was in Dresden and Dolnoslaskie Voivodeship (about 60%).

### *Social and demographic situation*

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Total population of the case study area accounted of almost 7 153 000 inhabitants. The highest population density is in Dresden region (209), which at the same time is the least populated NUTS 2 region of the entire case study area. In all regions the population between 2000 and 2006 decreased, but while in Czech regions the decrease was very small (around -0,1%) and in Dolnoslaskie Voivodeship it was a little higher but still relatively small (-1,0%), in Dresden region it was almost -3,5%. Also proportions of annual net migration development (negative in all four regions) the highest values reaches in German region (-0,28% in 2001-2005).

Share of people with higher education as well as information society and R&D development are similar in Polish and Czech regions, and much lower than in German region, where these indicators were in 2003 above the EU27 average.

### *Transnational flows - the role of the border*

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In comparison to other Polish region Dolnoslaskie has relatively well established regional and above-regional institutions (in Wroclaw) and international (also cross-border) cooperation networks. Due to its location along the international transport axes III to Poland and IV to the Czech Republic Dresden is well integrated into international flows. The region especially

exports manufactured products and Poland and the Czech Republic belong to the most important countries for Saxonian exports. The share of Severovýchod in the national-wide export represented 17,6% in 2005 (per capita export share 221,500 CZK) and was the second highest among Czech NUTS 2 regions. Severozápad region was below the national average according to both its share in the overall export (only 9,7%) and export performance related to the region's population (per capita export share 160,300 CZK).

### *Territorial cooperation*

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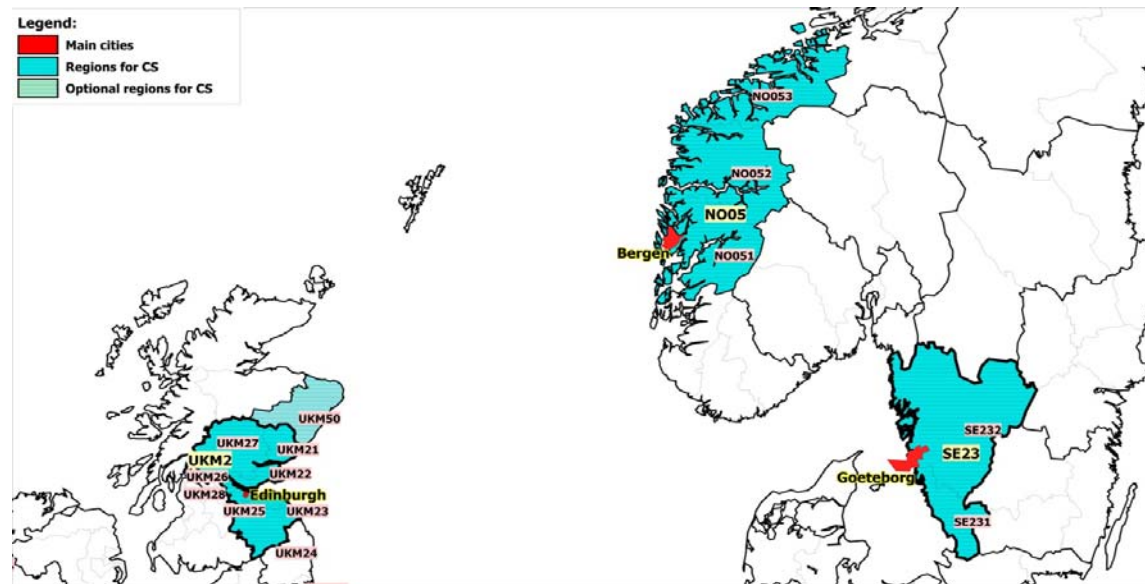
The Polish-German Interreg IVa cooperation, on the German side, is principally restricted to the new district of Görlitz and the new district of Bautzen is considered an adjacent area to which the 20 % rule applies. Therefore, Polish-German Interreg IVa cooperation only covers the eastern part of the administrative region. Within this programme a broad variety of projects for the promotion of cross-border development and social integration is supported. Besides the local Euroregion and public administrations of the region's municipalities also some other public institutions participate currently in the programme. Among them are hospitals, police departments, educational institutions, museums and other cultural organisations.

The corresponding cross-border programme between Saxony and the Czech Republic also covers only parts of the administrative region of Dresden. Besides the district Sächsische Schweiz-Osterzgebirge also the southern parts of the new districts of Bautzen and Görlitz are part of the core programme area. As adjacent areas the remainder parts of these two districts, Dresden city and the southern part of the new district of Meissen can participate under the 20 % rule. Similarly to the German-Polish cross-border programme a broad variety of themes is supported. They are covered under three priorities: (1) development of society's framework conditions, (2) development of economy and tourism and (3) improvement of nature and environment. In addition to the typical kinds of beneficiaries mentioned above in this region also nature protection organisations and research organisation participate in the programme. The former is due to the special focus under the third priority and the latter is mainly a result of the inclusion of the cities of Dresden and Chemnitz as adjacent areas.

Since the Federal State of Saxony is part of the central Europe Interreg IVB cooperation area also the administrative region of Dresden completely belongs to this cooperation area. Projects along four priorities receive support under this programme. In principal they cover the fields of innovation, accessibility, environment and competitiveness.

The Polish-Czech Republic Ineterreg IV A programme focuses on strengthening accessibility, environmental protection and risk prevention, improvement of conditions for developing the business environment and tourism as well as supporting cooperation among local communities. Apart from Jeleniogorski and Walbrzyski NUTS 3 units in this programme participate also Polish units from regions other than Dolnoslaskie. Similar situation is in Czech Republic, where In Interreg IV A programme participate six NUTS 3 units, including Liberec Region, Hradec Králové Region and Pardubice Region from Severovýchod NUTS 2 region.

### 6.3.4 Scotland-Sweden-Norway



#### *Geography*

Scotland, Sweden and Norway are unique and distinct territories. Nevertheless, they share a long history of social and cultural ties, have a strong network of international links, and long traditions of cooperation. Peripherality, sparse population and fragile settlement patterns are one of the key challenges in these areas.

#### *Administrative structures*

Scotland has a partial self-government within the United Kingdom as well as representation in the UK Parliament. Executive and legislative powers have been devolved to the Scottish Government and the Scottish Parliament respectively. Local-level government is organised through 32 unitary authorities (councils). In Sweden, the legislative body is the Swedish Parliament (Riksdag). Local-level government is divided into 21 counties (län), which are further divided into 290 municipalities (kommuner). In Norway, legislative power is vested with the government and the parliament of Norway, but the latter is the supreme legislative body. The local-level government consists of 19 first-level administrative counties (fylker), which are sub-divided into 430 second-level municipalities (kommuner).

#### *Economy*

Sweden has an industrial tradition, with knowledge-intensive and export-oriented manufacturing sector, dominated by large organisations. In 2000 the NUTS 3 region with the highest GDP (PPS) was Stockholm County (33,528); the lowest was Gotland County (18,843). In Norway, the economic structure is focused on maritime and metal industry and on petroleum related activities. GDP levels are highest in Oslo and lowest in Finnmark in the far north of the country. In Scotland, manufacturing and petroleum-related industries continue

to be important, however, focus is on the services sector, particularly financial services. In 2000 the NUTS 3 region with the highest GDP (PPS) was Edinburgh (34,273); the lowest was the Western Isles (12,946).

### *Social and demographic situation*

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Sweden, Norway and Scotland all have well-developed welfare states. In Sweden, unemployment levels in 2006 were highest in Blekinge County and lowest in Kronoberg County. In Scotland, for the same year, they were highest in Clackmannanshire and Fife (18,6) and lowest in the Scottish Borders (7,4). In Norway unemployment levels vary between 3,8 in Rogaland and 12,1 in Nord-Trøndelag. Population densities also vary considerably across all the countries. In Scotland, the Highlands and Islands region has the sparsest population (11 inhabitants/square kilometer). The South West of the country has the highest population density (175). In Sweden, Övre Norrland has a population density of 3, which is in sharp contrast to Stockholm (280). A similar pattern is found in Norway with Nord-Norge (4) and Oslo og Akershus (195).

### *Transnational flows*

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Transnational flows (including cross-border) Territorial cooperation is well-established in Scotland, Norway and Sweden, including Nordic cooperation, EU cooperation programmes and sectorally-focussed cooperation. Main drivers and/or attitude towards transnational cooperation – summary Scotland, Norway and Sweden share a wide range of historic, cultural, economic and political links, as well as face common developmental challenges and opportunities.

### *Territorial cooperation*

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Legal and institutional framework as with all forms of territorial cooperation, the traditions, structures and systems in place vary, in terms of their focus, scale, structure and degree of formality. In terms of formal territorial cooperation, there are a number of types of arrangements, including: intergovernmental; sectoral coordination/cooperation; programme-based cooperation; and sub-national cooperation.

Cross-border cooperation Cross-border cooperation is particularly well-established between Norway and Sweden, and largely implemented through the INTERREG IIIA programmes of Sweden/Norway, Kvarken-Mittskandia and Nord. Scotland has a strand A Interreg programme with Ireland.<sup>8</sup>

Interregional and transnational cooperation (Interreg Strand B and C) Interregional and transnational cooperation between Scotland, Norway and Sweden include the Interreg strand B programmes of Northern Periphery<sup>9</sup> and the North Sea Programme<sup>10</sup>. In addition,

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<sup>8</sup> Scotland-Ireland cross-border programme, which includes Northern Ireland, the Border Region of Ireland and Western Scotland.

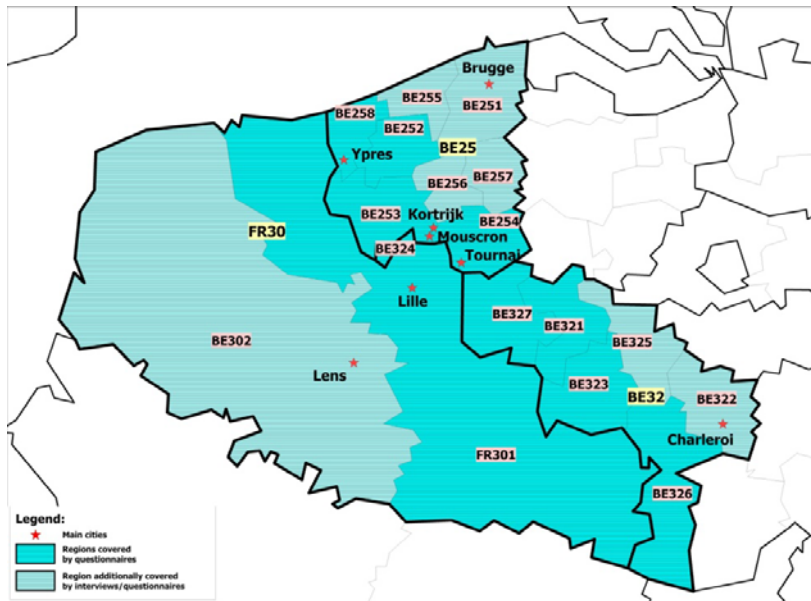
<sup>9</sup> The Northern Periphery programme covers the northernmost regions of Finland, Norway, Scotland and Sweden, and all of Iceland, Greenland and the Faroe Islands.

<sup>10</sup> The North Sea programme covers all of Denmark, and parts of Belgium, England, Germany, the Netherlands, Norway, Scotland and Sweden.

the strand C Interreg programme provides funding between regions all over Europe, including Nordic-Scottish cooperation projects.

Partnership agreements (Twinning Cities, Transcontinental): There are several city twinning arrangements between Scotland, Norway and Sweden. Most of these can be found between Sweden and Norway, and between Scotland and Norway.

### 6.3.5 Belgium-France



#### Geography

In the Belgium/France border case, we will concentrate our case study on the area eligible for Interreg IV A and linked to the Lille-Kortrijk –Tournai European grouping of territorial cooperation (EGTC LIKOTO) Nuts 3 BE 258,253,254,327,321,323, 324, 326, and Nuts 3 FR 301. We will nevertheless extend the analysis to NUTS 2 when necessary, this part of the French –Belgium border being then FR 30, BE 32 and 25.

LIKOTO area of cooperation, with intermunicipal partners





The Border goes through different types of territories: from the sea first an area of polders, with rural aspect and a very few little cities (Veurne, Bergues,...), in a flat surrounding, an open paysage, with several crossborder small rivers and canals, which prolong itself towards the polycentric functional urban area Lille-Kortrijk-Tournai (LKT). Following this is an old mining area going from Bethune/Lens/Douai to Mons then Charleroi. Further on landscape is changing again towards a more rural area, with natural parcs along the border (Plaines de l'Escaut and Thiérache).

The LIKOTO area is a metropolitan area, with urban and semi rural patterns. Another important aspect of cooperation along this border is related to harbours, coast and polders management. This could be investigated, a.o through partners involved in the EGTC West-Vlaanderen / Flandre-Dunkerque-Côte d'Opale which is implemented in the coastal area, partially covering the same nuts 3 than LIKOTO.

### *Administrative structures*

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Nuts 3 are 'arrondissement' in Belgium, which means an administrative entity mainly for statistical purpose. The territory covers several municipalities, which are local authorities, then organized in 'intermunicipalities'. Nuts 2 correspond to Province, which are partly a deconcentrated entity from the federal and regional powers, but are also a local authority, with an elected assembly and some autonomy.

Nuts 3 in France is 'department', which means a deconcentrated entity of the national state, with executive power, but also with an elected assembly. Nuts 2 correspond to the Region, a powerful elected power. Municipalities were organizing themselves in different kind of intermunicipalities (urban, rural, mixed, ...).

### *Economic and social situation*

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If we look at nuts 3 along the border (Interreg eligible area), the picture is more diverse in the Belgian side, due to the size of nuts 3. The French data should come at a lower level (LAU) to be able to be comparable. As it is, we see that in general in the Dutch part of Belgium the percentage of GDP per capita compare to national average is close to 100% (even a bit up in some case), but quite lower in the Walloon part of Belgium (around 60 %), except in Tournai and Mouscron area (76% and 79%), which is then close to French Nord Department (82%). As for unemployment, differences are also important: in 2006, unemployment rate in Dutch part was around 11%, in Walloon part around 35 % (close to 40 % in some case) and in French department Nord around 30 %.

### *Transnational flows and territorial cooperation*

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#### **Social and demographic situation, functional integration<sup>11</sup>:**

##### **Some first facts on crossborder aspects**

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<sup>11</sup> Based on ESPON 1.4.3 final report, metroborder final report and TERCO first data

### A crossborder polycentric metropolitan area

*Belgium is a country with a very dense polycentric urban pattern, and a strong process of suburbanisation. This pattern is dominated by one central metropolitan region around Brussels, but three urban subsystems are clearly marked by effective or potential transborder characteristics ; ... the South-West, which could be polarized by Lille (France) (1.4.3 report,p33) .*

The ESPON project metroborder which was working on CBPMRs 'as spatial configurations whose potential lies in combining the characteristics on either sides of the border in a complementary way' was building on result from ESPON project 1 4 3 on FUA, and identifying several crossborder polycentric metropolitan area: *'The success of these regions in exploiting the metropolitan potential depends to a large extent on the will and the strategies of the actors to cooperate within a complex multi-level context'*.

One of those CBPMRs area was the LIKOTO zone. Analyzing several aspects of those metropolitan areas, they come to interesting findings, which will be refined and used in this case study, eg functional score, competitive node (economic control), comparing crossborder and 'classical area', accessibility. Several other ESPON projects will be used to apply their findings to this area (FOCI, TRACC, ...). Some first facts can be presented:

#### Demography and crossborder flow

In 2006, the total population of the morphological urban area around Lille is close to one million and half (1/3 Belgian side, 2/3 French side) and the functional urban area has a population of 1 846 699 people, with an average growth of 0,8%. Crossborder commuting in the Lille metropolitan area concern in 2006 27 500 workers ( 22 500 from France to Belgium), with an annual growth of 5,9%, but if we can hypotheses that Belgian workers go in majority to Lille area, it is less obvious that the French workers stay in the border area, they could go easily to Brussels.

#### Functional integration in the LIKOTO crossborder area: mobility, citizenship and socio economic data

indicators of interaction;

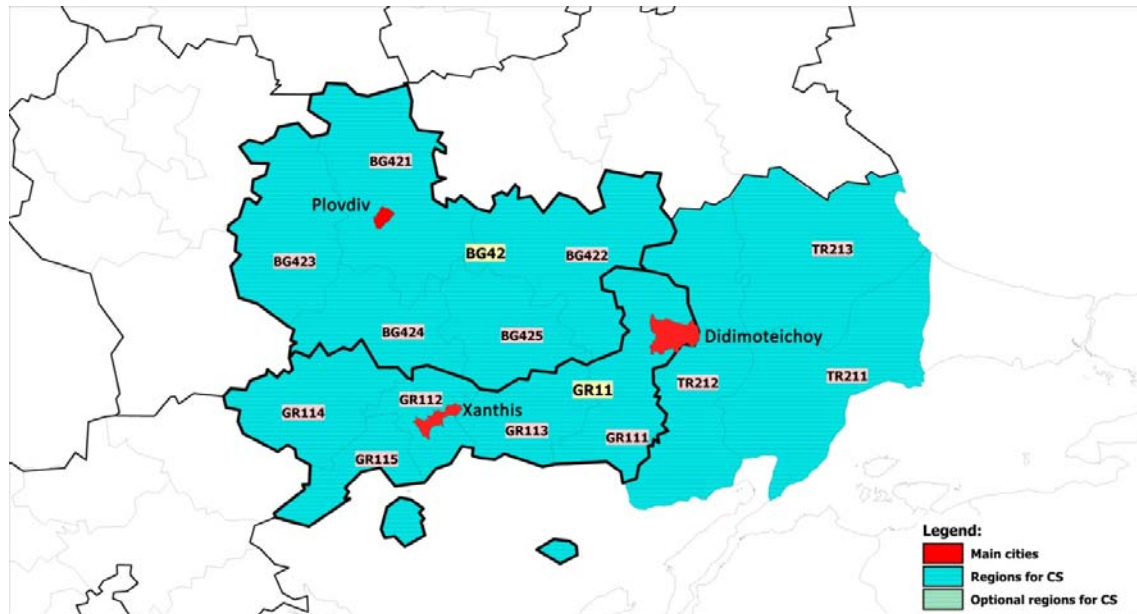
- crossborder commuters: moderate
- crossborder public transport: very weak

indicator of convergence:

- Foreign citizenship of residents : moderate
- Similarity of GDP per capita :very strong, (but this indicator is not easy to use in this case, as it is calculated on NUTS 3 area, which have extremely different size in France and Belgium).

Unemployment (2006) is clearly different in Dutch part (around 11 %, half of national average) compare to the two others (around 25 % in Walloon part, a bit more than national average, around 28% in French part, half more than national average).

### 6.3.6 Greece-Bulgaria-Turkey



#### Geography

The Greek case study comprises 7 Greek prefectures<sup>12</sup> (NUTS 3) from two NUTS 2 regions, 4 Bulgarian oblasti (NUTS 3) from two NUTS 2 regions, and 3 Turkish iller (NUTS 3) of a NUTS 2 region as shown in the Figure 1 and Table 1, underneath.

The Greek area of the case study is located in the north-east part of the country, bordering to the east with the Turkish Region Tekirdağ (TR 21, NUTS 2), to the north with the Bulgarian Regions Yuzhen Tsentralen (BG 42, NUTS 2) and Yugozapaden (BG 41, NUTS 2), and to the northwest with the Prefecture of Jugoistočen (MK 004, NUTS 3) of the Former Yugoslavian Republic of Macedonia (F.Y.R.O.M.).

The Bulgarian area of the case study is located in the south part of the country, bordering to the south east with the Greek Region Kentriki Makedonia (GR 12, NUTS 2), to the south with the Greek Region Anatoliki Makedonia and Thraki (GR 11, NUTS 2) and to the south-east with the Turkish Region Tekirdağ (TR 21, NUTS 2).

The Turkish area of the case study is located in the north-west part of the country, representing a big part of the European Turkey, bordering with both the Greek Region Anatoliki Makedonia and Thraki (GR 11, NUTS 2) and the Bulgarian Region Yuzhen Tsentralen (BG 42, NUTS 2).

<sup>12</sup> Starting from January 1<sup>st</sup>, 2011, the administrative structure of Greece is changing.

The case study covers an area of 59,249 km<sup>2</sup>, 36% being on the Greek territory, 31% being on the Bulgarian territory, and 33% being on the Turkish territory. These areas represent 16,5%, 16,6% and 2,4% respectively of their total country's area.

<b>Table 1: Administrative structure of the case study area</b>	
NUTS 2	5 regions: <b>Anatoliki Makedonia and Thraki (GR 11)</b> <b>Kentriki Makedonia (GR 12)</b> <b>Yugozapaden (BG 41)</b> <b>Yuzhen tsentralen (BG 42)</b> <b>Tekirdag (TR 21)</b>
NUTS 3	7 Prefectures, 4 Oblasti and 3 iller: <b>Evros (GR 111), Xanthi (GR 112), Rodopi (GR 113), Drama (GR 114), Kavala<sup>13</sup> (GR 115), Thessaloniki (GR 122), Serres (GR 126), Blagoevgrad (BG 413), Haskovo (BG 422), Smolyan (BG 424), Kardzhali (BG 425), Tekirdag (TR 211), Edirne (TR2 12) and Kirklareli (TR 213)</b>
LAU1	111 (43 municipalities, 42 obshtina and 26 ilçe)

The case study area is characterized by mountain ranges (Rila, Pirin, Rhodopi and Strandzha) featuring outstanding forests and great potential for development. The area is also crossed by big rivers like Nestos (Mesta), Strymon (Struma), Evros (Maritsa), Ardas (Arda) and Tundzha (the last two being tributaries of Evros) and it has a plethora of lakes. The river Nestos is shared between Bulgaria and Greece, 126 and 104 km respectively. The river Strymon has a length of about 415 km shared between Bulgaria, Greece, F.Y.R.O.M. and Serbia. The river Evros has a length of about 480 km and crosses Bulgaria, Greece and Turkey. The lower course of the river forms part of the Bulgarian-Greek and the Greek-Turkish borders. These water resources support fragile ecosystems like Ramsar Wetlands, NATURA 2000 sites, forests of outstanding beauty and forests listed as natural monuments, important bird-life areas, biogenetic reserves, etc., making the area one of the most ecologically sensitive in the Mediterranean. Consequently, these water resources constitute a common heritage (and sometimes a common problem because of the flooding) for Greece and its neighbors (Bulgaria, F.Y.R.O.M. and Turkey), thus calling for joint attention in terms of their utilization and management.

The transport infrastructure of the case study area is well developed. In particular, on the Greek territory there is Egnatia highway which passes through the entire Greek area of the case study, thus connecting 5 of the 7 prefecture capitals of the area under study. The east portion of the Egnatia highway, located on the territory of the study area, has 2 vertical axes:

<sup>13</sup> Even though the prefectures of Thessaloniki and Kavala are not exactly located at the country's border, they are very significant niches in the area in terms of cross-border cooperation initiation and implementation and thus, considered eligible areas in the Cross-border Cooperation Programmes "Greece-Bulgaria" (in the both periods (2000-2006 and 2007-2013)) and the "Black Sea" (2007-2013).

one connects it with the south-west Bulgaria and the Pan-European Corridor IV (Thessaloniki-Serres-Promachonas (border checkpoint)-Blagoevgrad-Sofia), and the second connects it with the south-east Bulgaria and the Pan-European Corridor IX (Alexandroupoli-Ormenio(border checkpoint)-Svilengrad). It is planned to be constructed 2 more vertical axes to Egnatia highway that will connect it with the south Bulgaria and the Pan-European Corridor IX (Komotini-Nimfea(border checkpoint)-Kardzhali) and Bulgaria (Xanthi-Echinos-Smoljan). With so many vertical axes the accessibility, from the Greek side, to the Bulgarian borders (and by extension, to the principal cities of the case study area) will become high and quick.

The east division of the Egnatia highway is also a part of the European Transport Corridor Thessaloniki (GR) – Istanbul (TR) that passes by Alexandroupoli, Kipi (border checkpoint) on the Greek territory and Ipsala, Tekirdag and Kinali on the Turkish territory. Also, the Pan-European Corridor IX connects Istanbul (TR) with Dimitrovgrad (BG) and Sofia (BG).

The case study area has also 3 international airports (Thessaloniki, Kavala and Alexandroupoli located in Greece), 1 domestic airports (Tekirdag in Turkey) and 4 big maritime ports (Thessaloniki, Kavala and Alexandroupoli in Greece and Tekirdag in Turkey). There is also a good connection in the case study area in terms of railway. On the Greek territory, there is the line which connects Thessaloniki to Alexandroupoli passing through or near most major cities of the area (Serres, Drama, Xanthi, Komotini). At Strymon, the line connects with another northbound line along Strymon River Valley to Promachon (border checkpoint with Bulgaria), which then joins the Bulgarian network at Kulata (BG). From Alexandroupoli, the line continues north, running along the Evros River, up to the Pythio (GR) – a conjunction from where a line continues east to Istanbul. From Pythio, a line continues to north, joining the Bulgarian network at Svilengrad – a town located at the border with Turkey and Greece.

### *Administrative structures*

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As shown in the Table 1 above, the case study area is divided into 5 regions (NUTS 2), 14 prefectures (NUTS 3) and 111 LAU 1.

Starting from January 1st, 2011, the administrative structure of Greece is undergoing changes with the aim of further decentralization and strengthening of the local government's role. The regions (NUTS 2) remain as they are in number while the prefectures (NUTS 3) are revoked and the number of LAU 1 is diminished from 1034 (910 municipalities and 124 communities) to 325 (municipalities). In the case study area, the number of LAU 1 was diminished from 127 to 43. The previous LAU 1 now became LAU 2. With the new architecture of the administrative system, the administrative responsibilities of the prefectures are passed to and shared by the new regions and LAUs. The new regional and local authorities were chosen at the last local elections of November, 2010 for a period of five years.

Since 1999, Bulgaria has been divided into 28 prefectures (oblasti) (NUTS 3) and 264 municipalities (obshtina) (LAU 1). The prefectures take their names from their respective capital cities. Each prefecture is headed by a governor who is proposed by a decision of the Council of Ministers and appointed by the Prime Minister. The mayor of the municipality is elected by the population of the respective municipality for a period of four years.

Turkey is divided into 81 provinces/prefectures (iller) NUTS 3 level. The provinces are organized into 12 regions (NUTS 1) and 26 sub-regions (NUTS 2) only for statistical purpose, without representing administrative structures. The provinces, consecutively, are subdivided into 957 districts (ilce) LAU 1 level. One district within the province is the central district. The districts, successively, can have municipalities (urban areas) and villages (rural areas). The province is administrated by an appointed governor, the central district - by an appointed vice-governor, the other districts by an appointed sub-governor and the heads of the municipality and village are elected locally.

## *Economy*

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In terms of GDP per capita (PPS) in 2000, the Greek prefectures of the case study area were in a better shape accounting for about 48% above the case study's average. On the other hand, the Bulgarian provinces seem to be the poorest in the case study area accounting just for 19% of the case study's average. The Turkish provinces are in between, accounting for about 95% of the case study's average.

If compared to the country's level, the Greek prefectures accounted for about 81% of the national average in 2000, with the Prefecture of Thessaloniki being the richest and the Prefecture of Rodopi being the poorest among the prefectures of the Greek area of the case study. The Turkish provinces of the case study are above their average national level, accounting on average for 146%. The richest province seems to be the Prefecture Kirkareli (with 68% above the national average), while the Provinces of Tekirdag and Edirne are on the same level, accounting for 133% and 138%, respectively of the national average. The Bulgarian provinces account for about 75% of their national average with the Provinces of Blagoevgrad and Haskovo being the richest of the Bulgarian provinces of the case study. The Province of Kardzhali seems to be the poorest among the Bulgarian provinces of the case study (with 61% of the national average) while the Province of Smolyan is somehow better, accounting for 73% of the national average.

In terms of average annual change in GDP per capita, for the period 2000-2007, the highest percentage is recorded by the Turkish Edirne Province (34,8%) while the smallest by the Greek Prefecture Evros (5,5%). If compared by country, the highest percentage belongs to the Turkish provinces of the case study area accounting on average for 27,1%. The Bulgarian provinces are the second in line with an average of 16,5%, while the Greek prefectures are the last with 6.7% on average.

In terms of unemployment rate, according to Eurostat, in 2006 in the case study area, the biggest unemployment rate was recorded by the Greek prefectures (31% on average), the smallest by the Turkish provinces (15,3% on average), and the Bulgarian provinces slightly above (17,7% on average).

## *Social and demographic situation*

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The area of the case study had a population of 4 333 564 inhabitants in 2005, made up by 44% of Greeks, 21% of Bulgarians and 35% by Turks. These proportions also represent: for Greeks – 17,3% of the country's population, for Bulgarians – 11.5% of the country's population and for Turks – 2% of the country's population. The population density differs among the prefectures of the case study area, the average being at 75 inhabitants per km<sup>2</sup>.

In particular, the smallest population density is recorded in 2006 by Drama Prefecture (29 inhabitants per km<sup>2</sup>) while the highest by Thessaloniki Prefecture (307 inhabitants per km<sup>2</sup>). Concerning the population change in the period 2000-2006, the biggest positive change (16,8%) is recorded by the Turkish Tekirdag Province while the biggest negative change is recorded by the Bulgarian Kardzhali Province (-21,5%). On average, the population of the Turkish provinces of the case study area seems to have increased in the period 2000-2006 by 5,6%, the population of the Bulgarian provinces decreased by 11% while the population of the Greek prefectures of the case study area remained more or less stable (+0,5%).

### *Transnational flows and the role of the border*

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The rate of nights by non-residents in collective tourist accommodations in 2008 in the Greek part of the case study area was about 1760/1000 inhabitants on average, according to the Eurostat, which shows a considerable tourist flow to the area. The Bulgarian part, on the other hand, had a smaller tourist flow (416/1000 inhabitants on average).

The annual net migration rate in the period 2001 – 2005 in the Greek part of the case study area was about 0.25% which is close to the national average (0.28%) and which shows a low level of immigration (Eurostat). The annual net migration rate in the Turkish part of the case study was about 6,6% which is far above the national level (-1,7%) showing that the area is accepting immigrants (either internal or external) while on national level there is emigration. Finally, the annual net migration rate in the Bulgarian part of the case study was negative about (-0,4%) being slightly above the national average (-0,6%) and showing that the Bulgarian case study area follows the pattern of the national level of emigration.

### 6.3.7 Spain-Argentina

The city of Rosario, in Argentina, whose commercial and financial service activities identifies this city as one of Latin America's most dynamic populations. Among other cooperative ventures, it particularly cooperates with the Spanish regions of Barcelona and the Basque Country. These territories are distinguished for having developed an important network of international relations.



In 1853, Rosario was declared a city as a result of its demographic and commercial growth. In the last years of the nineteenth century its population doubled as a result of the attraction that industrial and commercial development had on migrants from abroad. Rosario is, therefore, a city that has been on the front line of the transformations taking place in Argentina throughout the twentieth century. The current conformation of this territory is

based on two elements that have influenced the process of urbanization: the port city and the railroad network. After the economic recovery of the last decade, the city has been successfully integrated into the global economy due, mainly, to its entrepreneurial dynamism and the establishment of international integration strategies at a corporate and political level.

#### *Geography*

Located in the south of the province of Santa Fe, on the shores of the Paraná river, Rosario constitutes one of the neuralgic points in the Central Region of the country and one of the main external communication centers in Argentina. Located 300 km from the Federal Capital, Rosario has always had national relevance not only in terms of population, but also in terms of economic activity, artistic production and innovation. With a total area of 178,69 km<sup>2</sup>, the city is the center of the Gran Rosario Metropolitan Area, made up of 11 municipalities and "comunas" that define a rural-urban setting.

According to the last census of October, 2010, the population of Rosario Department is 1 198 528 inhabitants of which 48,1% are males and 51,9% females. Although there is no data on internal migration, Rosario has been and continues to be an active recipient of large contingents of migrants who escape economic adversity and seek out urban areas, which has led to the emergence of irregular settlements.

#### *Administrative structures*



Rosario is the largest city in the province of Santa Fe. According to the Provincial Organic Law of Municipalities, because it is an urban center with more than 10,000 inhabitants, it is a municipality with enough institutional power to satisfy the material and cultural needs of the population and has, therefore, the ability to promote economic growth and a better quality of life for its inhabitants. Under these circumstances, municipalities are independent from other authorities in competencies such as revenue generation and establishment of taxes, interest rates, rights or special contributions on activities and materials. They also have the capacity to freely administer their own goods. Moreover, municipalities have the legal capacity to enter into contracts and to sell its equipment and goods in public auctions. The mayor (intendente municipal) takes on executive and administrative duties at the municipal level and carries out resolutions made by the local board (concejo municipal). Both the members of the municipal board and the mayor are elected in direct, popular elections.

Rosario has been recognized at a national and international level for its "successful" local management. Strategic planning, decentralization and citizen participation, participatory budgeting, transparent administration, recovery projects and defense of public space, health, culture, childhood, and solidarity policies, are the main policies and objectives carried out by the local government. The role Rosario plays within its area of influence and the multiple external relations it generates places the city at the top of the list in economic activity, political power and cultural references. There are twenty-two consulates in Rosario.

### *Economy*

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With regard to productive activity, Rosario hosts 62% of the total industrial establishments in the province of Santa Fe, registering approximately 3,670 industrial plants and industrial workshops. Its productive fabric is diverse, from agribusinesses to a cluster of technology-based industries such as information, communication and biotechnology, firms based on design such as furniture, industrial equipment and clothing and a long-standing service sector. The food sector, one of the most competitive in the world, represents 21% of overall industrial activity; vegetable oil production stands out particularly as the most important in Argentina. The metal-mechanical industry (18%), especially in the field of agricultural machinery (11% of the total amount of firms in the province) ranks second in importance, closely followed by the machinery and equipment industry (10%). Petrochemical, paper, wood, textile and plastic firms are also located in Rosario and its area of influence. In the service sector, Rosario's banking and financial network represents the second system nationwide after Buenos Aires.

Rosario emerges as a strategic hub and communication node in MERCOSUR due to its location at a crossroad of commercial routes and service provision centers. The city is bordered by the Paraguay-Parana Waterway to the north and therefore constitutes an essential transit and communication center with Brazil. To the south, Rosario borders on the

Humid Pampas of Argentina. The east-west axle is articulated through the province of Cordoba extending as far as the Pacific Ocean and Chile. Through the region of Entre Ríos, over the Rosario-Victoria Bridge, Rosario connects with Uruguay and Brazil, on the Atlantic Ocean. The city is linked with other cities in the province and countrywide through a wide transportation and communications network. Rosario has an International Airport that not only provides passenger transportation but also focuses on cargo and extensive agricultural and food export infrastructure. The Rosario seaport is strategically located on the right bank of the Paraná River at km 420. At the height of the Paraná River delta, within the La Plata river basin, the port connects overseas navigation with that of coastal trading and commerce. This propitious condition allows the passage of oceanic liners with deep drafts. Rosario's railroad service is mainly for cargo transport.

### *Social and demographic situation*

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Rosario produces 50% of the Gross Provincial Product (GPP), 5% of the national GDP and 53% of the province's jobs. In the fourth quarter of 2008, the economically active population reached 575,000 persons, with an activity rate of 46,1%, an employment rate of 42,6% and an unemployment rate of 7,7%, slightly over the national average. Informal work in Gran Rosario climbed to almost 37% in the same period. 13,7% of the inhabitants were below the poverty line and 6,6% in absolute poverty. From an environmental point of view, the Paraná River is one of the largest rivers in the world. Its wetlands are notorious for their remarkable sceneries and rich flora and fauna. Since 2009, a considerably large amount of metallic containers have been assembled through the Integral Program of Urban Hygiene to classify waste and residues in Rosario. This environmental measure has been linked to an energetic campaign for environmental education. Although the city supplies a considerable number of services, there are still remain some unregulated quarters and settlements that lack basic infrastructure, a fact that has a negative effect on the quality of life of the population in general.

### *Transnational flows – the role of the border*

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Rosario began to register a growing number of international networking activities toward the end of the nineties. It first established strong links with the surrounding territories, followed by relations with countries of MERCOSUR and Associated States, Latin America, Europe and, ultimately, with other nations around the world. Due to the cultural influence spread by migratory flows, relations with Spain and Italy were particularly prominent, a fact that eventually led to territorial cooperation. In 1992, the administrative municipal structure led to the creation of the Direction of International Relations, currently named General Directorate of International Relations. Rosario currently promotes programs such as the Ciudad-Ciudad program, the Contribution to International Economic Promotion, the project which positions Rosario at a regional and global level. It also takes part in a number of city networks such as Mercociudades, Advisory Forum of Municipalities, Federative States,

Provinces and Departments within MERCOSUR, International Association of Educating Cities (AICE), Ibero-American Center for Strategic Urban Development (CIDEU), United Cities and Local Governments (CGLU), United Cities against Poverty, the Forum of Local Authorities for Social Inclusion (FAL) and the UR-BAL programme.

Territorial cooperation is key to the economic, institutional and political activity of Rosario. The city constitutes an international reference point, not only due to its prominent dynamism in recent decades but, more important, because its initiatives are carried out among local segments and defined and carried out through the strategic plans implemented by the city since the nineties. For this particular case study, the transcontinental cooperation with Barcelona and the Basque Country was chosen.

In 1999, an agreement for technical knowledge transfer and experience exchange was signed with Barcelona. It established objectives such as 1) extending institutional dialogue at the local government level between municipalities within the Mercosur regional integration process and the European Union; 2) promoting actions aimed at constructing integrated cities with homogeneous opportunities to exercise full and equal citizenship; 3) fighting poverty, inequality and discrimination; 4) fostering bilateral relations through the exchange of experience; and 5) continuing the collective work toward strategically developing Latin American cities and the URB-AL program. The agreement also underlined the significance of those innovative public policies aimed at transforming the urban space in order to improve integration and social coexistence through equal opportunities.

The agreement with the Government of the Basque Country was signed in 2002. It constituted a protocol of cooperation between the Regional Ministry of Education, Universities and Government Research Agency of the Basque Country and the Municipality of Rosario. The plan of action that took shape from this arrangement included policies such as technology transfer in applications of mechanical manufacture, electricity, electronics, telecommunications, computer science and construction; management support to centers for vocational information; cooperation in the renewal of the Vocational Training Schools in Rosario and the exchange of cultural experiences.

### 6.3.8 Spain-Uruguay



#### *General context*

The department of Canelones, in Uruguay, is an agrarian and industrial region near Montevideo that has recently begun to focus its efforts on endogenous development. Its cooperation with Catalonia and the Canary Islands, in Spain with a strong sense of national identity that have successfully incorporated administrative decentralization and self-government, is studied.

In 1816, the Department of Canelones is created when the first departmental division takes place in Uruguay. The late 18th- and early 19th-century constitutes a period of economic growth for Canelones. This is mainly due to its position under the influence of Montevideo. In due time, a diverse society started to develop which hosted in the same way as the overall national territory, a considerable amount of Spanish immigrants, especially in the first half of the twentieth century. Throughout its history, the proximity of Canelones to Montevideo has triggered opportunities and disadvantages. Canelones faces, under these particular circumstances, the challenge of taking advantage of the metropolitan context in which it is embedded and manage, at the same time, to construct its own identity on which to articulate the endogenous development processes.

#### *Geography*

Canelones is a department of Uruguay, located in the southern part of the country. It surrounds the department of Montevideo and limits on the west with the Department of San Jose, on the north with Florida, and on the east with Lavalleja and Maldonado. It is the most densely populated of the departments in Uruguay (15% of the overall population and 26 % of the inland population), after Montevideo. All this, on a surface that hardly represents 2,6% of the whole country.

<b>Territory</b>	<b>Population</b>	<b>% Rural Population</b>	<b>% Female Population</b>	<b>Surface km<sup>2</sup></b>
Canelones	485 240	11,4%	51,0%	4.536
Interior	1 915 035	11,2%	50,5%	174.486
Montevideo	1 325 968	3,9%	53,4%	530
Total Country	3 241 003	8,2%	51,7%	175.016

Source: personal compilation based on data produced by the INE (National Statistics Institute)

With 83 thousand inhabitants (17% of the overall population), and a growth rate of 28,8% between 1996 and 2004, Ciudad de la Costa has become one of the cities with major demographic growth in the country. The started off as a coastal urban development and has become the largest city in Canelones. Another major city in the department of Canelones is Las Piedras, with 69 thousand inhabitants (14%), which exerts a large influence on the cities of La Paz and Progreso. Pando is the third most populated city in Canelones with 24 thousand inhabitants (5%), followed by the city of Canelones, the capital of the department, and La Paz, both with 20 thousand inhabitants (4%). Progreso is also quite large with nearly 16 thousand inhabitants (3%). There are also some smaller cities with between 10 to 15 thousand inhabitants and other localities with less than 5000 inhabitants.

### *Administrative structures*

Canelones is one of the 19 departments in Uruguay. It is classified at the second level of government, equivalent to a Province or Region in other Latin-American countries, or to an Autonomous Regions in Spain. However, the degree of autonomy each department holds is more limited than in other countries of Latin America or Spain. There is no full fiscal autonomy. Most of the budget for the departmental administration comes from the National Government and is defined under the five-year National Budget Law, according to distribution criteria. For the period 2011-2014, the regulation establishes that every year departmental governments should receive 3,33% of the National GDP.

When the Law of Political Decentralization and Civil Participation was approved in September 2009, a third level of government materialized nationwide in addition to the national and the departmental levels: the Municipality. Municipalities are administered by bodies made up of five members, consejos, and are presided over by the Mayor. Both, consejos and mayors are chosen by popular vote. While the Municipality is born as a new level of government, it totally depends on the Department Government as to power-conferring disposition and resource allocation. The law, nevertheless, brings civil participation to the fore. Canelones has 29 Municipalities.

### *Economy*

As regards productive activity, Canelones has an economic micro-region mainly characterized by industrial and technological vocation with emphasis on the chemical, pharmaceutical, plastic and rubber industry. There are also a number of agribusinesses such

as meat packaging, winemaking, poultry and meat byproducts. Canelones has the largest farming operations (horticultural, fruit and vegetable, pig and poultry) nationwide. This is due to its proximity to Montevideo, a big national consumer market. Tourist activities are largely concentrated in the coast region of Canelones and tourists are mostly local.

The department of Canelones owns the largest road network in Uruguay, and is kept in good condition. Under these circumstances, the region ranks 3rd place at the national level, behind Montevideo and San Jose. Its transportation infrastructure, however, is dependent on Montevideo's network with the rest of the country, a fact that, on the one hand, makes communication with the main cities within the department and with the capital possible, but, conversely, is deficient in communicating with inland populations, even within its own department. It is also important to point out that the department of Canelones has the main airport in Uruguay, with 84% of passenger movement, the International Airport of Carrasco, and is also located near the large seaport of Montevideo, with 52,6% of the total national cargo movement.

### *Social and demographic situation*

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The following information describes the welfare state in Canelones through the revision of socio-economic indicators such as household income, poverty and unemployment. Taking into consideration the available information from previous years, the average household income per capita seems to be lower in Canelones than in Montevideo, and a bit higher than the average in the interior of the country. Depending on the year, Canelones generally ranks intermediate-high when compared to the other 19 departments that make up the national territory. Regarding poverty, Canelones has a relatively favorable situation when compared to the national level and, specifically, to Montevideo. In absolute terms, however, the percentage of population living in poverty fluctuates between 15% and 25% of the total population in recent years (15% according to the last available record). Poverty is, therefore, still a current issue. Regarding unemployment, Canelones follows the same trend as Uruguay with exceptional GDP growth rates per capita (almost 8,1% in 2010) and historically low unemployment rates. During the first four months of 2010, Uruguay's unemployment rate was 7,2% while Canelones was 7,8%, well below the 10% minimum registered in the second half of the twentieth century.

### *Transnational flows– the role of the border*

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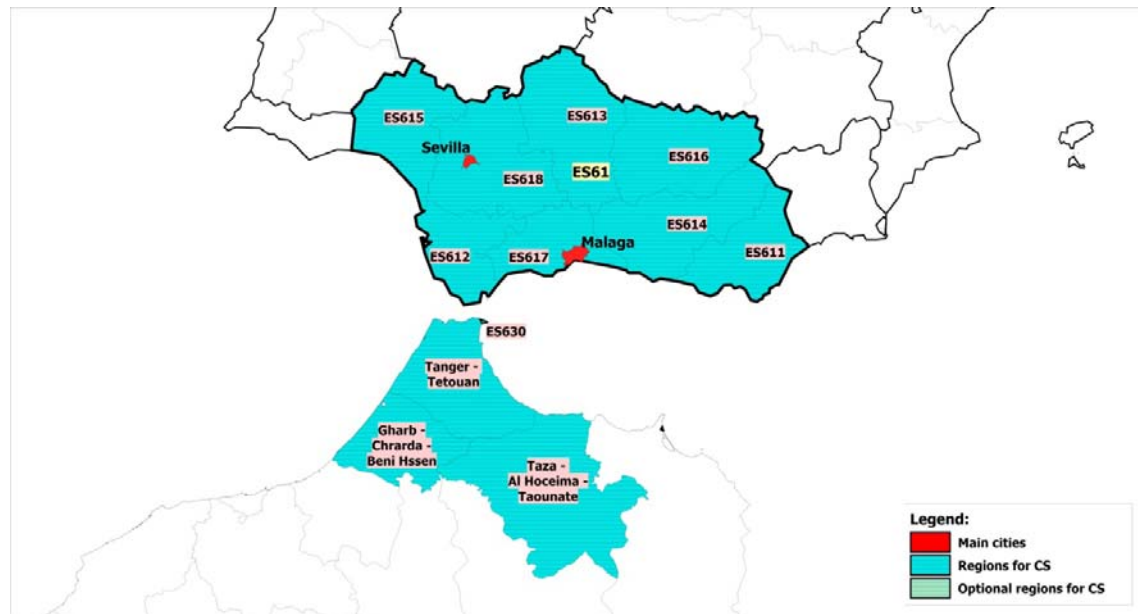
With the exception of Montevideo, territorial cooperation is currently taking its first steps in Uruguay, a fact that causes some tension between Government and Departments. The Government's concern lies in the articulation of institutional and territorial cooperation in order to reach national development objectives. In turn, Department Governments endeavor to promote forms of territorial cooperation that are defined and managed by each territory. Within this context, in the particular case of Canelones, several territorial cooperation agreements and projects with foreign regions and cities, most Spanish, which emerge from the new administration of department governments that have governed since 2005 and were re-elected in 2010.

Interest in analyzing the functioning of transcontinental cooperation and its contribution to economic development and institutional change in Canelones is mainly due to the region's limited experience in territorial cooperation. This is why it is extremely important not only to be acquainted with the department's promotion of social and territorial cohesion objectives in the processes of economic growth, but also to analyze how territorial cooperation influences decentralization, civil participation and governance in the territories of Uruguay. Ultimately, the case of Canelones helps to know how learning processes work in the early phases of transcontinental cooperation.

The relation with the Spanish territories emerges as a result of common cultural and historical factors. For this particular case study, the interaction of Canelones with the Canary Islands and with Barcelona-Catalonia was chosen. The cooperation with the Canary Islands began in 2005. It is based on the historical ties between the Canaries and Uruguay as a result of inter-regional relations between Santa Cruz de Tenerife and Montevideo. It is relevant to point out that this cooperation shows a strong cultural and social component, largely linked to a common historical bond and mutual motivation towards the construction of territorial identity which drive development initiatives forward. Since 2005, Canelones has been pursuing an identity on which to base their development. Under these circumstances, there is a shared concern about the recovery and development of their cultural and historical heritage, an additional target for cooperation. The collaboration with the Canary Islands focuses its support on social policies, the construction of infrastructure and economic promotion in Canelones.

The cooperation with Barcelona-Catalonia also began in 2005 as a result of the participation of Canelones in the Urb-AI programme of the European Union, in the Urb-AI 12 Woman and City Network, for which the department joins forces with the Diputación of Barcelona on communal projects. At this point, a mutual support agreement developed to strengthen the capacity of Canelones to assume the Secretariat of the global Network Of Local Governments for the Southern Cone, Mercociudades, in 2008. The technical assistance for the liaison with local government networks and intermediate levels is an important instrument in this cooperation. Under these circumstances, with the advent of the Law of Political Decentralization and Civil Participation, financial support was received to generate an agenda on local governance during 2009. These initiatives reinforce the purpose of the cooperation: i.e. to institutionally strengthen the decentralization process and overall governance construction.

### 6.3.9 Spain-Marocco



#### *General context*

The region of Tangier-Tetouan, in Morocco, whose predominant activities are still, agriculture and commerce, although industrial activity is gradually acquiring an increasing role in the economy thanks to foreign direct investments. The region has reinforced its relations with the European Union through territorial cooperation with Andalusia and, more specifically, with Cadiz in the South of Spain.

The relations that Morocco has had with Spain have been fairly strong. From Phoenician times to the present, following the foundation of the ancient Gadir (current Cadiz) and throughout the Carthaginian influence (empire whose center was located in the current Tunis) and the Roman and Arab colonization, the relationship between current Andalusian towns and settlements in northern Morocco has been gradually strengthened.

From the first millennium before our era, and most probably earlier, human and material exchange between north Moroccan and Southern Iberian populations have taken place and, of course, still do. These movements were facilitated by the common political ground of the empires that succeeded each other in the Mediterranean, at times on the north shore – Greeks, Romans and Byzantines-, and at others on the southern shore – Phoenicians, Carthaginians and Arabs - but always around the area shaped by the sea.

Since Spain joined the European Union in 1986, many of the relations that previously remained at a national level became part of the community's responsibilities. This meant a special and preferential treatment for Morocco and its materialization into an "advanced statute".



## *Geography*

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Tangier-Tetouan is the closest region to the Spanish coast with the most dynamic society and economy in the north of Morocco. It also constitutes the most important geostrategic section for Europe due to its proximity (14 kilometers) to the continent just across the Strait of Gibraltar. Its geographical extension is 11,290 km<sup>2</sup>. To the west and north, Tangier-Tetouan borders on the Atlantic ocean and the strait of Gibraltar, to the east, on the Mediterranean Sea and the Taza-Alhucemas region, and to the South, on the Taza-Alhucemas and Garb-Chrarda-Benihsen regions.

According to the last official census (2004), the region of Tangier-Tetouan has approximately 2 504 000 inhabitants, representing 8,15% of the total Moroccan population, of whom 58,24% live in urban areas. In 2008, it is estimated that the population would reach 2 625 000 inhabitants, with 60% living in urban areas.

In its bipolar urban development, Tangier (669,685 inhabitants) and Tetouan (320 539 inhabitants) hold almost half of the region's population. The distance between both cities is only 60 km. The population density of Tangier-Tetouan is 42,8 people per km<sup>2</sup>, close to the Moroccan average of 43. On the coast, however, the average population density is higher than 600 people/ km<sup>2</sup>. The urbanization rate reached 57,5% in 2004. Migration, rather than natural growth, contributed to this figure, primarily due to a massive rural exodus. The activity rate was 42,8% in 2009, 79% for men and 13,7 for women.

## *Administrative structures*

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As a result of its topography and later territorial division, Tangier-Tetouan is one of the sixteen regions of Morocco and the capital is Tangier. It is divided into two Wilayas or two prefectures (Tangier-Asilah and Mdiq-fnideq) and four provinces (Tetouan, Larache, Chefchaouen and Fahs-Anjra).

## *Economy*

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The service sector is the main activity in the region with more than 55% of Gross Value Added; industrial activities reach almost 29% and the rest is for agriculture. Key sectors are agro-business industries with more than 10,000 employees. Textiles is one of the main industries as well, mainly located in the prefecture of Tangier-Asilah (87% of the total factories of the region), and with a very high orientation towards exports (86%) in a very well integrated international value chain. The Tangier-Tetouan industrial system is experiencing a structural change process, with important investments in both the automobile, (especially Renault), and aeronautics, taking advantage of the intense relations with the European industries because of its logistics possibilities in the Straight of Gibraltar area. Tourism is an activity in expansion, but traditional agriculture continues to be important for the local population (44% of the active population).

There are a number of factors that come together to restrain the region's economic development. Chief among these are: 1) an economic structure that is highly dependent on

agriculture; 2) the considerable significance of the informal sector (25% of the active population) in the region's economy; 3) a small middle class; 4) a high illiteracy rate of 41,5% in the entire population (29,2% for men and 53,9% for women); and 5) the low qualification and/or skill level of the active population, especially in the rural areas.

### *Social and demographic situation*

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The socioeconomic differences between urban and rural areas are particularly important. 23% of overall rural population is under the poverty line. 2% of the urban population lives in structurally precarious housing. Seven hundred thousand Moroccan families live in shanty-towns located in peripheral areas. The region lacks adequate health care. Additionally, the information and communication industry (ICT) has LIMITED market penetration.

### *Transnational flows– the role of the border*

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The seaport Tangier-Med is one of the main economic spotlights in the area. The commercial flow between Cadiz and Morocco through this port reached almost 288 million Euros in 2010. Exports from Cadiz to Morocco have increased from 28,991 million Euros in 2001 to more than 233,517 million in 2010. The region has two airports in the cities of Tangier and Tetouan. The airport in Tangier has the most international connections and constitutes one of the main communication platforms with the rest of the world.

Andalusia has developed decentralized cooperation projects with the region of Tangier-Tetouan since the eighties, and particularly toward the end of the twentieth century. Since 2000, the dealings of this collaboration are primarily channeled through the Andalusia Municipalities FUND for international solidarity (famsi) in the economic, social and political fields. In the economic field, a number of measures aimed at the creation of employment have been launched: the Vocational Schools Program; the Enterprise Promotion Campaign; and a number of rural development projects. In the social field, operations such as employment and gender equality, school maintenance and child protection programs, support to disability related organizations, urban equipment, and the integration of information and communication technology have been carried out as well. In the political field, Famsi has shaped network Anmar, a system that aims to establish a sister-city network between cities of Andalusia and Morocco.

## 6.4 Annex: Examples from the INTERREG A III and IV database

Case Study Area	Finland / Russian Federation					
Name of sub-programme	SE Finland / Russia			Euregio Karelia		
Funding framework		Interreg III A Neighbourhood programme (2000-2006)	TACIS CBC 2004-2006		Interreg III A, Neighbourhood Programme (2000-2006 / 2008)	TACIS CBC
Regions involved (NUTS codes) on one side of the border	<b>3+1 priorities:</b> 1 Development of transport and the state of the environment; 2 Development of business and the business environment; 3 Expertise and improving conditions for co-operation; +1 Technical Assistance	FI131, FI182, FI185, FI186, FI187	FI131, FI182, FI185, FI186, FI187	<b>3+1 priorities:</b> 1 Business activity; 2 Expertise and regional cooperation; 3 Transport and communication; +1 Technical Assistance	FI133, FI134, FI1A2 (FI1A3 and FI132 could participate in the projects, too)	FI133, FI134, FI1A2 (FI1A3 and FI132 could participate in the projects, too)
Regions involved (NUTS codes) on other side of the border		In Leningrad Oblast: Vyborgsky District (incl. Kamennogorsk, Primorsk, Svetogorsk, Vysotsk), Priozersky District; St. Petersburg	In Leningrad Oblast: Vyborgsky District (incl. Kamennogorsk, Primorsk, Svetogorsk, Vysotsk), Priozersky District; St. Petersburg		Republic of Karelia (In business activities, St. Petersburg, Leningrad, Murmansk, and Archangel oblasts could also be included)	Republic of Karelia (In business activities, St. Petersburg, Leningrad, Murmansk, and Archangel oblasts could also be included)
Total no. of projects		274	44		200	4
Total budget	88 866 814	9 260 805	65 000 000	3 800 000		
Total EU funding	24 543 454	7 675 000	27 000 000			
In more detail:						
1	1 Dev. of transport & the state of the environ.; <b>Priority 1.1</b>	BORDER-CROSSING POINTS AND TRANSPORT LINKS	BORDER-CROSSING POINTS AND TRANSPORT LINKS	<b>Priority 1.1</b>	DEVELOPING CROSS-BORDER COOPERATION	BUSINESS ACTIVITY: DEVELOPING CROSS-BORDER COOPERATION
	No. of projects in 1.1	52	6	No. of projects in 1.1	48	0
	Total budget for 1.1	23 851 354	1 372 134	Total budget for 1.1	13 900 000	0
	EU funding for 1.1	7 627 706	1 139 821	EU funding for 1.1		0

2	1 Dev. of transport & the state of the environ.; <b>Priority 1.2</b>	PRESERVING AND IMPROVING THE STATE OF THE ENVIRONMENT	PRESERVING AND IMPROVING THE STATE OF THE ENVIRONMENT	Priority 1.2	PROMOTING THE OPERATIONAL PRECONDITIONS FOR THE COOPERATION OF THE BUSINESS SECTOR IN CROSS BORDER COOPERATION	BUSINESS ACTIVITY: PROMOTING THE OPERATIONAL PRECONDITIONS FOR THE COOPERATION OF THE BUSINESS SECTOR IN CROSS BORDER COOPERATION
	No. of projects 1.2	34	4	No. of projects 1.2	47	4
	Total budget 1.2	7 010 979	965 098	Total budget 1.2	13 000 000	3 800 000
	EU funding 1.2	2 407 965	842 710	EU funding 1.2		
3	2 Dev. of business and the business environment; Priority 2.1	INCREASING THE ACTIVITY OF SME'S AND IMPROVING THEIR OPERATING PREREQUISITES	INCREASING THE ACTIVITY OF SME'S AND IMPROVING THEIR OPERATING PREREQUISITES	Priority 2.1	EDUCATION AND REGIONAL COOPERATION: CROSS-BORDER COOPERATION IN THE AREAS OF EXPERT KNOWLEDGE AND CULTURE	<i>none</i>
	No. of projects 2.1	87	19	No. of projects 2.1	40	<i>none</i>
	Total budget 2.1	36 241 086	4 295 977	Total budget 2.1	11 800 000	<i>none</i>
	EU funding 2.1	7 098 217	3 487 754	EU funding 2.1		<i>none</i>
4	3 Expertise and improving conditions for co-operation; Priority 3.1	DEVELOPING EXPERTISE CAPITAL	DEVELOPING EXPERTISE CAPITAL	Priority 2.2	EDUCATION AND REGIONAL COOPERATION: PROMOTNG WELL-BEING AND THE DEVELOPMENT OF CIVIL SOCIETY	<i>none</i>
	No. of projects 3.1	64	8	No. of projects 2.2	22	<i>none</i>
	Total budget 3.1	13 375 812	1 464 954	Total budget 2.2	4 900 000	<i>none</i>
	EU funding 3.1	4 225 676	1 243 315	EU funding 2.2		<i>none</i>
5	3 Expertise and improving conditions for co-operation; Priority 3.2	WELFARE AND THE PREREQUISITES FOR CO-OPERATION	WELFARE AND THE PREREQUISITES FOR CO-OPERATION	Priority 3.1	TRANSPORT AND COMMUNICATION: BORDER-CROSSING AND LAND USE	<i>none</i>
	No. of projects 3.2	37	7	No. of projects 3.1	27	<i>none</i>
	Total budget 3.2	5 639 583	1 162 642	Total budget 3.1	9 700 000	<i>none</i>

	EU funding 3.2	1 809 890	961 400	EU funding 3.1		<i>none</i>
6	plus 1	Technical Assistance		Priority 3.2	TRANSPORT AND COMMUNICATION: TRAFFIC AND DATA COMMUNICATION CONNECTIONS	<i>none</i>
	Number of projects	:		No. of projects 3.2	16	<i>none</i>
	Total budget (technical)	2 748 000		Total budget 3.2	11 700 000	<i>none</i>
	EU funding (technical)	1 374 000		EU funding 3.2		<i>none</i>
Contact info:	<b>Managing Authority:</b> <b>Regional Council of South Karelia</b> <b>Raatimiehenkatu 18</b> <b>FIN-53 100 Lappeenranta</b> <b>Tel.: +358 5 613 0210</b> <b>Fax.: +358 5 613 0250</b> <b>E-mail.: markus.hulkkonen@ekarjala.fi</b>			<b>Managing Authority:</b> <b>Council Of Oulu Region</b> <b>Kauppurienväylä 8 A, 90100 OULU, Finland</b> <b>tel. +358 8 321 4000, fax +358 8 3113 577</b> <b>Regional Development Manager</b> <b>Marko Ruokangas</b> <b>tel. +358 8 3113 549, +358 40 0602 268</b> <b>marko.ruokangas(at)pohjois-pohjanmaa.fi</b>		

## 6.5 Annex: Examples from Socio-economic database

CODE	NAME	POP_1	POP_2	POP_3	POP_4	POP_5	POP_6	ECON_1	ECON_2	ECON_3	ECON_4	ECON_5	ECON_6	STRUC_1	STRUC_2	STRUC_3	STRUC_4	STRUC_5	STRUC_6
NUTS	Region name	Population change_2000-2008 (%) - own calculations	Population density 2008	Population growth annual rate 2004-2008	Natural change annual rate 2004-2008	Net migration annual rate 2004-2008	Old age dependency ratio 2009	GDP per capita 2008	GDP 2008 per capita (country=100)	2008	average)	average)	2007 pp	agriculture 2006_ %	STRUC_2	construction 2006_ %	services 2006_ %	business services 2006_ %	market services 2006_ %
AT11	Burgenland (A)	1,8	71,0	4,5	-2,9	7,4	29,5	22120,7	65,0	117,9	81,3	84,4	-3,0	5,0	19,2	10,1	21,4	19,6	24,7
AT12	Niederösterreich	4,0	83,2	6,1	-0,8	6,9	27,7	28043,2	82,4	120,1	100,1	107,1	-7,0	2,8	26,5	8,8	23,5	17,8	20,6
AT13	Wien	8,2	4039,3	9,3	0,7	8,6	24,2	44807,8	131,7	115,1	163,1	185,5	-22,5	0,2	12,4	4,4	25,3	32,7	25,0
AT21	Kärnten	-0,1	58,7	0,9	-1,0	1,9	28,3	28517,5	83,8	116,9	104,6	107,7	-3,1	2,4	25,0	8,6	20,9	21,0	22,1
AT22	Steiermark	1,9	73,5	2,6	-1,0	3,5	27,6	29416,2	86,4	119,1	106,1	111,1	-5,0	2,6	28,1	7,6	18,9	22,1	20,6
AT31	Oberösterreich	2,7	117,4	3,3	1,2	2,1	25,1	33615,7	98,8	121,2	119,9	125,6	-5,7	2,0	33,0	7,7	17,8	22,2	17,2
AT32	Salzburg	2,8	73,7	3,6	2,1	1,5	23,5	38837,7	114,1	118,9	139,5	148,0	-8,5	1,2	20,8	6,7	31,1	22,3	17,8
AT33	Tirol	5,0	55,4	6,0	2,5	3,5	23,1	35278,7	103,7	122,1	128,2	133,5	-5,3	1,2	22,9	7,5	30,4	19,5	18,5
AT34	Vorarlberg	5,0	140,7	5,8	3,8	2,0	21,9	35884,5	105,4	122,3	128,1	135,7	-7,6	0,8	32,5	7,8	21,6	21,6	15,8
BE10	Région de Bruxelles-Capitale	9,3	6512,4	11,9	6,1	5,8	21,7	61221,3	189,3	112,6	220,9	256,3	-35,4	0,0	10,4	2,3	23,3	38,6	25,4
BE21	Prov. Antwerpen	4,4	598,4	6,9	1,8	5,2	26,6	37927,8	117,3	115,5	135,7	148,1	-12,4	0,7	25,7	4,9	24,7	26,2	17,8
BE22	Prov. Limburg	4,5	341,3	6,4	2,4	4,0	23,6	27116,6	83,8	115,2	96,2	106,2	-10,0	1,1	24,5	7,2	20,1	23,5	23,6
BE23	Prov. Oost-Vlaanderen	3,4	472,3	6,2	1,2	5,1	26,9	29017,7	89,7	118,6	104,6	109,4	-4,8	1,0	22,5	7,5	21,4	24,7	22,9
BE24	Prov. Vlaams-Brabant	4,5	503,4	6,8	1,7	5,1	26,5	33896,4	104,8	117,8	122,6	129,8	-7,2	0,5	13,6	3,1	30,4	33,8	18,6
BE25	Prov. West-Vlaanderen	1,9	365,9	3,2	-0,1	3,3	30,9	30415,8	94,0	113,4	110,1	118,2	-8,0	2,0	22,7	7,3	20,7	25,4	21,9
BE31	Prov. Brabant Wallon	6,7	342,7	8,7	2,3	6,4	23,4	32621,8	100,9	129,5	111,3	115,9	-4,6	0,6	23,3	4,0	22,9	28,0	21,1
BE32	Prov. Hainaut	1,6	343,4	3,3	0,1	3,2	25,0	21365,3	66,1	112,8	75,3	83,2	-8,0	0,8	19,9	5,2	19,6	25,1	29,5
BE33	Prov. Liège	3,4	272,8	5,8	0,3	5,4	25,9	24079,4	74,4	113,5	85,3	94,8	-9,5	0,8	19,8	6,3	19,0	24,6	29,5
BE34	Prov. Luxembourg	7,0	59,5	9,6	2,8	6,8	23,9	21561,3	66,7	112,5	78,1	88,4	-10,3	2,5	16,4	7,5	19,4	21,9	32,3
BE35	Prov. Namur	4,8	126,9	6,8	1,4	5,4	24,4	22551,5	69,7	117,8	79,7	86,6	-6,9	1,3	13,6	5,4	20,1	24,6	34,9
BG31	Severozapaden	-14,0	48,8	-15,8	-10,4	-5,3	32,3	2992,9	64,5	104,3	25,6	25,4	0,2	16,6	26,3	4,1	15,0	19,7	18,3
BG32	Severozentralen	-11,0	62,2	-9,0	-7,3	-1,7	26,7	3181,5	68,6	124,6	26,7	23,3	3,3	14,5	27,5	3,9	19,8	17,9	16,5
BG33	Severozlochen	-3,3	68,5	-2,9	-3,0	0,1	22,8	4004,7	86,4	147,3	32,4	26,4	6,0	10,9	22,2	7,7	26,0	18,7	14,5
BG34	Yugoizlochen	-6,9	56,9	-4,4	-3,6	-0,8	24,9	3834,0	82,7	124,3	30,7	29,1	1,6	9,9	30,1	10,2	19,8	16,5	13,4
BG41	Yugozapaden	-1,3	104,1	0,5	-3,9	4,3	23,0	7752,9	167,2	210,2	62,0	36,3	25,7	3,1	19,1	7,3	29,2	26,3	15,1
BG42	Yuzhen	-8,2	69,1	-5,4	-4,1	-1,3	24,9	3234,0	69,7	142,3	27,2	21,0	6,2	13,0	31,6	5,0	17,8	17,4	15,2
CH01	Région lémanique	8,8	161,6	12,9	3,1	9,8	23,0	43727,6	96,9	117,2	266,6	240,7	0,0	1,6	23,3	7,0	23,3	24,0	20,8
CH02	Espace Mittelland	3,6	170,5	5,7	0,6	5,1	25,9	38120,1	84,4	116,0	232,4	201,9	0,0	1,6	23,3	7,0	23,3	24,0	20,8
CH03	Nordwestschweiz	4,9	529,0	7,3	1,3	6,0	24,9	50378,0	111,6	119,5	307,1	262,3	0,0	1,6	23,3	7,0	23,3	24,0	20,8
CH04	Zürich	9,1	756,3	12,8	2,8	10,1	23,3	55584,3	123,1	119,0	338,9	302,2	0,0	1,6	23,3	7,0	23,3	24,0	20,8

CODE	NAME	LM_1	LM_2	LM_3	TOUR_1	TOUR_2	GOV_1	GOV_2	GOV_3	GOV_4	GOV_5	GOV_6	GOV_7	GOV_8	ACCES_1	ACCES_2
NUTS	Region name	Employment rate 2008	Unemployment rate 2008	% of the population aged 25 to 64 having completed tertiary education 2008	Share of non resident nights spent in hotels and campsites 2008	Nights per inhabitant (2008)	Number of local authorities	Inhabitants per municipality	Share of LG in public revenues	Share of taxes in LG revenues	Share of general public services (administration) in LG outlays	LG revenue EUR per capita	LG taxes EUR per capita	LG general public services EUR per capita	Distance to centre	Distance to national capital
AT11	Burgenland (A)	72,8	3,6	14,9	22,3	1,7	170,0	1654,0	15,8	59,7	16,4	2465,7	1473,0	393,6	962,1	5518,0
AT12	Niederösterreich	73,9	3,4	16,4	40,5	1,2	575,0	2776,6	15,8	59,7	16,4	2465,7	1473,0	393,6	871,7	5573,0
AT13	Wien	67,4	6,7	24,2	80,9	4,7	1,0	1674909,0	15,8	59,7	16,4	2465,7	1473,0	393,6	913,9	5589,5
AT21	Kärnten	69,8	3,4	16,4	64,0	10,2	133,0	4212,9	15,8	59,7	16,4	2465,7	1473,0	393,6	830,2	5371,7
AT22	Steiermark	71,6	3,4	15,7	37,1	2,2	540,0	2231,4	15,8	59,7	16,4	2465,7	1473,0	393,6	864,2	5445,4
AT31	Oberösterreich	75,0	2,6	16,7	48,6	1,6	444,0	3168,2	15,8	59,7	16,4	2465,7	1473,0	393,6	750,0	5515,2
AT32	Salzburg	74,9	2,5	18,3	79,0	23,2	120,0	4395,4	15,8	59,7	16,4	2465,7	1473,0	393,6	718,7	5424,0
AT33	Tirol	73,5	2,4	16,8	91,0	38,5	277,0	2529,6	15,8	59,7	16,4	2465,7	1473,0	393,6	649,0	5368,7
AT34	Vorarlberg	73,1	3,9	16,3	87,3	12,3	93,0	3934,1	15,8	59,7	16,4	2465,7	1473,0	393,6	569,7	5337,3
BE10	Région de Bruxelles-Capitale	55,6	15,9	40,4	85,4	4,1	20,0	52424,6	13,6	33,1	22,8	1973,2	652,4	465,4	0,0	5667,6
BE21	Prov. Antwerpen	65,2	4,6	32,2	73,4	0,9	69,0	24865,3	13,6	33,1	22,8	1973,2	652,4	465,4	51,7	5715,7
BE22	Prov. Limburg	63,8	4,4	27,8	56,8	0,8	43,0	19225,3	13,6	33,1	22,8	1973,2	652,4	465,4	77,9	5694,9
BE23	Prov. Oost-Vlaanderen	68,6	3,6	31,5	70,1	0,6	65,0	21669,0	13,6	33,1	22,8	1973,2	652,4	465,4	40,6	5685,7
BE24	Prov. Vlaams-Brabant	67,6	4,2	40,8	67,1	0,8	64,0	16566,1	13,6	33,1	22,8	1973,2	652,4	465,4	12,5	5671,7
BE25	Prov. West-Vlaanderen	66,8	2,7	29,9	51,2	2,1	65,0	17699,8	13,6	33,1	22,8	1973,2	652,4	465,4	96,2	5679,1
BE31	Prov. Brabant Wallon	63,2	6,5	47,0	64,7	0,6	27,0	13833,0	13,6	33,1	22,8	1973,2	652,4	465,4	24,1	5650,2
BE32	Prov. Hainaut	54,1	11,6	24,5	69,0	0,3	68,0	19119,1	13,6	33,1	22,8	1973,2	652,4	465,4	59,4	5612,3
BE33	Prov. Liège	57,1	10,5	29,0	61,3	0,7	85,0	12396,7	13,6	33,1	22,8	1973,2	652,4	465,4	103,8	5636,3
BE34	Prov. Luxembourg	61,4	7,7	30,9	50,9	2,4	44,0	6001,9	13,6	33,1	22,8	1973,2	652,4	465,4	126,3	5580,8
BE35	Prov. Namur	58,9	8,8	29,3	38,9	0,4	38,0	12246,8	13,6	33,1	22,8	1973,2	652,4	465,4	77,9	5602,4
BG31	Severozapaden	59,3	7,1	17,4	12,7	0,1	49,0	18977,0	15,6	23,3	5,4	242,2	56,4	13,3	1675,6	5379,9
BG32	Severozentralen	58,6	8,5	20,2	20,1	0,1	36,0	25887,5	15,6	23,3	5,4	242,2	56,4	13,3	1794,6	5465,6
BG33	Severozlochen	62,0	8,6	20,5	80,7	4,8	36,0	27557,8	15,6	23,3	5,4	242,2	56,4	13,3	1906,7	5539,5
BG34	Yugoizlochen	62,3	5,8	17,3	81,6	4,4	33,0	34120,7	15,6	23,3	5,4	242,2	56,4	13,3	1919,1	5418,3
BG41	Yugozapaden	71,0	2,9	33,6	53,3	0,7	52,0	40664,8	15,6	23,3	5,4	242,2	56,4	13,3	1733,9	5247,2
BG42	Yuzhen	62,4	5,1	17,5	24,3	0,2	51,0	30309,5	15,6	23,3	5,4	242,2	56,4	13,3	1864,2	5307,1
CH01	Région lémanique	75,4	4,8	36,6	64,5	4,6	586,0	2404,1	26,4	48,9	15,1	3941,8	1926,3	531,6	517,7	5187,6
CH02	Espace Mittelland	78,5	4,1	31,1	53,1	1,9	920,0	1865,0	26,4	48,9	15,1	3941,8	1926,3	531,6	488,1	5269,0
CH03	Nordwestschweiz	79,3	3,1	34,8	60,3	1,2	319,0	3247,4	26,4	48,9	15,1	3941,8	1926,3	531,6	460,5	5319,4
CH04	Zürich	81,0	3,4	38,6	73,2	2,3	173,0	7558,2	26,4	48,9	15,1	3941,8	1926,3	531,6	491,9	5339,8

## 6.6 Annex: Examples from Transcontinental database

### DATABASE FOR TERRITORIAL COOPERATION STUDY: TANGER-TETUAN (Morocco)

#### DEMOGRAPHIC AND ECONOMIC POTENTIAL

##### GDP total and GDP per capita and comparison with the mean in the country - 2007

	GDP EUROS	Percentage of total	GDP per capita
Morocco	54.865.342.752,69		1778,75
Tangier – Tetuan Region	4.819.457.450,95	8,80%	1863,73

Source: Haut Commissaire Au Plan (HCP), 2008

##### Distribution of GROSS ADDED VALUE ( GVA) by productive activity

	2009
GVA primary sector	16,40%
GVA secondary sector	28,50%
GVA tertiary sector	55,10%

Source: HCP, 2010

##### 2004 census population: de jure population, active population, age distribution, illiteracy rate (provinces and prefectures, rural and Urban areas)

	DE JURE POPULATION 2004			PORCENTAGE OF POPULATION					Active	
	Urban Pop.	Rural Pop.	Total Pop.	-6 years	6 – 14 years	15 – 59 years	+ 59 years	Illiteracy		
Tangier Asilah	698.127	58.837	756.964	10,9	18,4	63,1	7,5	30,0	461.134	
Tetuan	461.152	149.473	610.625	11,4	19,2	61,3	8,2	37,4	230.429	
Larache	218.841	252.691	471.532	12,4	21,8	57,9	7,9	49,0	166.983	
Chefchaouen	54.762	469.840	524.602	15,3	24,5	53,5	6,8	55,6	203.382	
Fahs-Anyra	0	96.497	96.497	13,4	22,0	56,6	7,9	54,0	33.009	
Mdiq-Fnideq	36.596	59085	95.681	13,2	19,5	62,0	5,3	35,3	19.330*	*(MU) Fnidq
Total Region	1.432.882	1.027.338	2.460.220	12,3	20,7	59,4	7,6	41,5	929.633	
Total Morocco	16.339.561	13.340.508	29.68.0069	11,8	19,4	60,7	8,1	43,0	10.662.903	

Source: HCP, 2004

(MU): Municipality

Illiteracy rate of population over 10 years of age for 2006 – 2007.

	Urban Pop.	Rural Pop.	Males	Females	10-14 years	15-24 years	25 – 34 years	+ 35 years	Total
Tanger – Tetuan	74	49,9	76,5	52,1	91,4	82,5	66,8	44,6	64,4
Morocco	72,3	43,9	73,9	46,9	93,2	82,7	63,3	38,7	59,9

Source: Nacional survey on expenses and Standard of living per household, HCP, 2008

Migratory Movements

Pending

**ECONOMIC AND DEMOGRAPHIC EVOLUTION**Gross Domestic Product at current prices and production distribution (variance)

	2005	2006	2007	2008	2009
CURRENT-PRICE GDP, IN MILLIONS DH	527679	577344	616254	688843	736206
TOTAL GROSS VALUE ADDED, IN MILLIONS DH	473956	517948	545693	619632	654465
PRIMARY SECTOR	69565	87482	74928	90690	107183
AGRICULTURE AND RELATED SERVICES	62932	81147	68716	82969	100890
FISHING AND AQUACULTURE	6633	6335	6212	7721	6293
SECONDARY SECTOR	133749	140631	149052	187866	186742
EXTRACTIVE INDUSTRIES	8994	10534	13155	45121	16925
OIL INDUSTRY	77166	81202	82074	86996	104004
FOOD AND TOBACCO INDUSTRY	20609	22847	18601	21327	30255
TEXTILE AND LEATHER INDUSTRY	14898	16642	16892	16586	17670
MANUFACTURING INDUSTRY	9842	9709	10230	11981	15208
CHEMICAL INDUSTRY	17424	17468	19708	20183	20965
MECHANICAL INDUSTRY	14393	14536	16643	16919	19906
ENERGY	16067	15983	16590	17086	20037
OIL REFINERIES AND OTHER ENERGY PRODUCTS	1484	1296	841	963	1084
ELECTRICITY AND WATER	14583	14687	15749	16123	18953
PUBLIC EMPLOYEES	31522	32912	37233	38663	45776
TERTIARY SECTOR	270642	289835	321713	341076	360540
TRADE	56454	60956	65058	70597	72054
HOTELS AND RESTAURANTS	12963	13265	16294	16278	16775
TRANSPORT	17961	18357	23264	23897	25795
MAIL AND TELECOMMUNICATIONS	16561	18134	19887	21365	22097
FINANCE AND INSURANCE SERVICES	26859	30231	36444	39133	40107
CORPORATE SERVICES	59234	65936	77010	80645	86549



PUBLIC ADMINISTRATION AND SOCIAL SECURITY	47917	50664	51910	54000	58860
EDUCATION, HEALTH AND SOCIAL ACTION	48144	49997	54271	59360	63103
MANNEQUIN INDUSTRY	-23212	-25951	-31089	-33325	-34302
NON-FARMING GROSS ADDED VALUE	404391	430466	470765	528942	547282
STRUCTURE OVER TOTAL %	%	%	%	%	%
PRIMARY SECTOR	14,7	16,9	13,7	14,6	16,4
AGRICULTURE AND RELATED SERVICES	13,3	15,7	12,6	13,4	15,4
FISHING AND AQUACULTURE	1,4	1,2	1,1	1,2	1
SECONDARY SECTOR	28,2	27,2	27,3	30,3	28,5
EXTRACTIVE INDUSTRIES	1,9	2	2,4	7,3	2,6
OIL INDUSTRY	16,3	15,7	15	14	15,9
FOOD AND TOBACCO INDUSTRY	4,3	4,4	3,4	3,4	4,6
TEXTILE AND LEATHER INDUSTRY	3,1	3,2	3,1	2,7	2,7
OTHER MANUFACTURING INDUSTRIES	2,1	1,9	1,9	1,9	2,3
CHEMICAL INDUSTRY	3,7	3,4	3,6	3,3	3,2
MECHANICAL INDUSTRY	3	2,8	3	2,7	3
ENERGY	3,4	3,1	3	2,8	3,1
OIL REFINERIES AND OTHER ENERGY PRODUCTS	0,3	0,3	0,2	0,2	0,2
ELECTRICITY AND WATER	3,1	2,8	2,9	2,6	2,9
PUBLIC EMPLOYEES	6,7	6,4	6,8	6,2	7
TERTIARY SECTOR	57,1	56	59	55	55,1
TRADE	11,9	11,8	11,9	11,4	11
HOTELS AND RESTAURANTS	2,7	2,6	3	2,6	2,6
TRANSPORT	3,8	3,5	4,3	3,9	3,9
MAIL AND TELECOMMUNICATIONS	3,5	3,5	3,6	3,4	3,4
FINANCE AND INSURANCE SERVICES	5,7	5,8	6,7	6,3	6,1
CORPORATE SERVICES	1,6	1,6	1,6	1,5	1,5
PUBLIC ADMINISTRATION AND SOCIAL SECURITY	10,1	9,8	9,5	8,7	9
EDUCATION, HEALTH AND SOCIAL ACTION	10,2	9,7	9,9	9,6	9,6
MANNEQUIN INDUSTRY	-4,9	-5	-5,7	-5,4	-5,2
NON-FARMING GROSS ADDED VALUE	85,3	83,1	86,3	85,4	83,6

*Source: Ministère de L'économie et des Finances, Calculation by the Financial Forecast and Studies Director based on data from the High Commission for Planning, including non-market services provided by the government.*

Population Variance (thousands)

	1982			1994			2004		
	Urban Pop.	Rural Pop.	Total Pop.	Urban Pop.	Rural Pop.	Total Pop.	Urban Pop.	Rural Pop.	Total Pop.
Tangier-Asilah	312	124	436	526	102	628	724	53	777
Tetuan	228	158	385	367	170	537	475	147	622
Larache	137	182	319	201	230	432	222	253	475
Chefchaouen	26	283	309	43	396	439	56	475	531
Total Region	703	747	1449	1137	898	2036	1477	928	2405

Source: HCP, population census, 1982, 1994 y 2004

Changes in Migratory Flow.

Pending

**SOCIAL PROGRESS AND THE ENVIRONMENT**

(Data for the entire nation)

Quality of Life

- Human Development Index

Position	114
Life Expectancy	71,8 years
Average Schooling	4,4 years

Source: United Nations Development Program (UNDP)

- Relative Poverty Rate

	1990	2000	2007
Urban	13,3 %	7,6 %	4,8 %
Rural	26,8 %	25,1 %	14,5 %

Source: (UNDP)

- Population with less than USD \$1

	1990	2000	2007
Urban	1,2 %	0,3 %	0,1 %
Rural	5,7 %	4,0 %	1,2 %

Source: (UNDP)

- Extreme poverty rate

	1985	2004	2007
Urban	6,8 %	3,5 %	1,3 %
Rural	18,8 %	12,8 %	7,2 %

Source: (UNDP)

### CHANGES IN THE JOB MARKET

Variance of the active population, rate of activity, unemployment, in urban and rural areas for the Tangier-Tetuan Region and Morocco

Year	Urban				Rural				Total			
	Region		Morocco		Region		Morocco		Region		Morocco	
	Activity	Unemployment	Activity	Unemployment	Activity	Unemployment	Activity	Unemployment	Activity	Unemployment	Activity	Unemployment
2001	43,3 %	15,7 %	43,3 %	14,0 %	43,3 %	2,3 %	53,7 %	2,4 %	47,7 %	10,1 %	47,0 %	9,3 %
2002	46,0 %	19,5 %	45,4 %	18,3 %	46,0 %	4,5 %	58,5 %	3,9 %	51,3 %	12,5 %	50,7 %	11,6 %
2003	41,7 %	14,2 %	40,8 %	13,0 %	51,6 %	2,7 %	49,7 %	2,5 %	45,4 %	9,3 %	44,1 %	8,6 %
2004	45,9 %	19,3 %	45,8 %	18,4 %	61,0 %	3,4 %	62,0 %	3,2 %	52,4 %	11,4 %	52,6 %	10,8 %
2005	42,1 %	12,7 %	45,2 %	18,3 %	53,6 %	2,4 %	61,7 %	3,6 %	44,1 %	10,8 %	52,6 %	8,6 %
2006	43,8 %	12,6 %	43,7 %	12,7 %	49,8 %	2,6 %	48,9 %	2,8 %	46,1 %	8,4 %	45,7 %	8,6 %
2007	44,7 %	15,5 %	44,9 %	15,4 %	60,5 %	3,7 %	59,7 %	3,8 %	51,3 %	9,7 %	51,0 %	9,8 %
2008	44,8 %	14,7 %	41,2 %	12,1 %	46,5 %	3,7 %	45,6 %	4,0 %	44,5 %	9,2 %	42,8 %	8,9 %
2009	44,8 %	14,7 %	44,0 %	13,8 %	59,0 %	4,0 %	58,4 %	4,0 %	50,6 %	9,6 %	49,9 %	9,1 %

#### Labor Force Work Qualification

Pending

### ACCESSIBILITY AND FLOW

Distance from the nation's capital (geographic).

- Chaouen: 193 km
- Ksar-el-kivir: 139 km
- Larache: 143 km
- F'nideq: 241 km
- M'diq: 230 km
- Arcila: 178 km
- Tangier: 215 km
- Tetuan: 218 km

Source: Google Earth, 2011

Communications with the nation's capital

Highway:

- Chaouen: 347 km (237 km vías rápidas)
- Ksar-el-kivir: 161 km (41 km vías rápidas)
- Larache: 166 km (146 km vías rápidas)
- F'nideq: 307 km (264 km vías rápidas)
- M'diq: 311 km (238 km vías rápidas)

- Arcila: 202 km (187 km vías rápidas)
- Tangier: 246 km (216 km vías rápidas)
- Tetuan: 297 km (237 km vías rápidas)

Source: Google Maps Navigation, 2011

Airplane:

- Tangier airport: no direct connection.
- Tetuan Airport: no direct connection.

Airports in the Region:

Tangier International Airport.

Destination	Frequency
• Amsterdam	Regular
• Barcelona	Regular
• Bruselas	Regular
• Casablanca	Regular
• Charleroi	Regular
• Colonia/Bonn	Regular
• Fez	Layover
• Londres (Heathrow)	Regular
• Marrakech	Regular
• Marseille	Seasonal
• Madrid	Regular
• Milano (Bergamo)	Seasonal
• Montpellier	Regular
• Nador	Layover
• Paris (Beauvais)	Regular
• Paris (CDG)	Regular
• Paris (Orly)	Regular

2002	2003	2004	2005	2006	2007	2008	2009	2010	until 2011	until 2012
268.	259.	256.	262.	292.	374.	484.	646.	767	1. 000.	1. 500.
829	466	149	698	599	692	391	370	803	000	000
						Incr→	35, 88%	17, 40%	(e)	(p)

(e): estimate

(p): expected

Source: Office National des Aéroports.

Tetuan International Airport.

Destination	Frequency	
• Liege	1/week	Regular
• Lyon	1/week	Charter
• Marseille	1/week	Charter
• Paris (CDG)	1/week	Charter
• Paris (Orly)	1/week	Charter

2002	2003	2004	2005	2006	2007	2008	2009
02.478	01.065	13.138	10.948	14.788	18.979	24.243	9.899

Source: Office National des Aéroports.

Trains

- Train Lines for the Tangier-Tetuan Region



- Users of Tangier – Tetuan Region Trains

Pending

Transport - Tangier Port Users

	2006	2007	2008	2009
Entry	1.586.144	1.586.144	1.586.144	1.586.144
Exit	1.414.998	1.414.998	1.414.998	1.414.998
Total	3.001.142	3.001.142	3.001.142	3.001.142

Source: Ministère de l'équipement et des transports, 2010.

Number of tourists*Overnight stays and arrivals at hotels in Tangier classified by provenance*

Provenance	Nights			Arrivals to classified hotels		
	2001	2009	2010	2001	2009	2010
Spain	77.344	144.389	143.675	41.547	70.473	69.294
France	38.443	77.947	87.376	18.232	33.849	36.924
Arab Countries	14.233	18.176	20.351	5.451	6.021	6.918
UK	21.622	20.764	19.188	8.043	9.706	9.204
Germany	18.200	11.873	16.971	8.778	6.756	9.494
Italy	7.000	10.383	15.022	2.715	5.001	6.830
USA	21.707	14.196	14.599	15.363	7.847	8.548
Portugal	8.249	10.017	10.806	3.762	4.867	5.563
Netherlands	4.564	6.375	7.179	2.529	3.430	3.692
Other	56.001	62.894	92.289	19.249	36.555	47.314
Residents	306.329	343.614	390.923	148.079	188.558	198.596
TOTAL	573.692	720.628	818.379	273.748	373.063	402.377

Source: Ministère du tourisme et de l'artisanat. Département du tourisme et l'observatoire du turismo. Statistiques sur le tourisme au Maroc.

*Overnight stays and arrivals to hotels classified by category in Tangier*

Categoría	Nights			Arrivals to classified hotels			Occupancy Rate		
	2001	2009	2010	2001	2009	2010	2001	2009	2010
Hotel 1*	30.568	55.830	59.669	15.084	43.165	44.406	29%	35%	33%
Hotel 2*	74.126	49.974	45.752	42.659	28.346	25.456	34%	51%	55%
Hotel 3*	171.487	261.018	269.625	73.585	139.854	137.180	36%	56%	54%
Hotel 4*	211.996	229.421	347.391	109.100	109.368	147.916	42%	63%	65%
Hotel 5*	69.711	99.680	63.709	27.716	41.820	31.878	48%	58%	50%
RT	15.804	11.508	12.139	5.604	4.333	4.020	23%	15%	18%
MH	-	12.965	15.376	-	6.026	7.223		20%	26%
Other	-	232	4.718	-	151	4.298			

Source: Ministère du tourisme et de l'artisanat. Département du tourisme et l'observatoire du turismo. Statistiques sur le tourisme au Maroc.

*Overnight stays and arrivals to hotels classified by category in Tetuan*

	Nights			Arrival at classified hotels		
	2001	2009	2010	2001	2009	2010
France	100.226	68.319	59.718	16.416	13.305	11.435
Spain	13.084	22.111	16.835	6.153	11.258	9.558

Belgium	22.117	15.620	11.587	1.648	1.966	1.780
Portugal	17.717	9.172	6.863	2.125	3.170	2.458
Arab Countries	2.671	4.975	2.603	1.100	1.526	1.270
Netherlands	2.658	1.818	2.501	712	649	698
USA	1.449	2.187	2.429	811	1.427	1.685
Italy	13.055	1.843	2.304	1.498	757	801
Switzerland	5.170	3.137	1.596	529	516	290
Other	7.439	11.725	10.488	3.299	4.993	4.926
Residents	163.114	166.740	176.510	72.721	80.018	78.543
TOTAL	348.700	307.647	293.434	107.012	119.585	113.444

Source: Ministère du tourisme et de l'artisanat. Département du tourisme et l'observatoire du turismo. Statistiques sur le tourisme au Maroc.

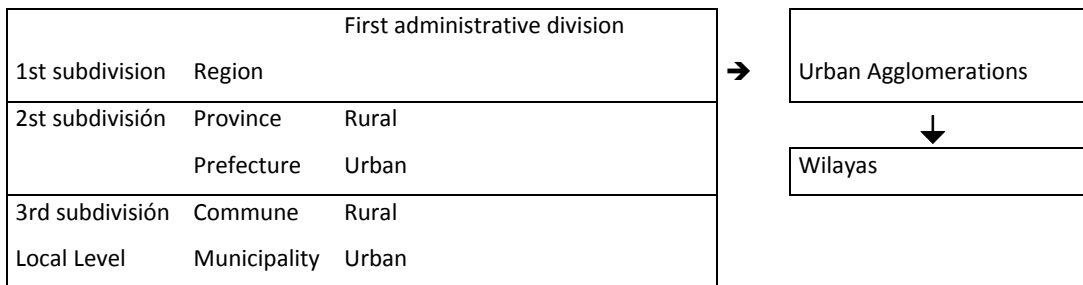
*Overnight stays and arrivals to hotels classified by category in Tetuan*

Category	Nights			Arrival at classified hotels			Occupancy Rate		
	2001	2009	2010	2001	2009	2010	2001	2009	2010
Hotel 1*	30.568	55.830	59.669	15.084	43.165	44.406	29%	35%	33%
Hotel 2*	74.126	49.974	45.752	42.659	28.346	25.456	34%	51%	55%
Hotel 3*	171.487	261.018	269.625	73.585	139.854	137.180	36%	56%	54%
Hotel 4*	211.996	229.421	347.391	109.100	109.368	147.916	42%	63%	65%
Hotel 5*	69.711	99.680	63.709	27.716	41.820	31.878	48%	58%	50%
RT	15.804	11.508	12.139	5.604	4.333	4.020	23%	15%	18%
MH		12.965	15.376		6.026	7.223		20%	26%
Other		232	4.718		151	4.298			

Source: Ministère du tourisme et de l'artisanat. Département du tourisme et l'observatoire du turismo. Statistiques sur le tourisme au Maroc.

## GOVERNANCE

### Territorial Organization



Morocco has 16 regions, including Taniers - Tetuan.

The Tangiers – Tetuan region consists of two provinces and four prefectures, 86 communes and 9 municipalities.

#### Wilaya,

An urbanistic, economic, and human unit managed as a whole, for social and economic development and for urban planning.

At the political level, it acts as a control for the cities facing factors of instability, creating a simultaneous fragmentation and recentralization for the purpose of integrating the urban space and its elites, since these powers are concurrent with the central power.

The Region consists of :

#### Provinces and prefectures,

Rural areas, Caidatos, Circles and Anexes, representative, Supercaid.

Urban Areas, Districts and Arrondissements. Representative: Bajá.

#### Regional Government

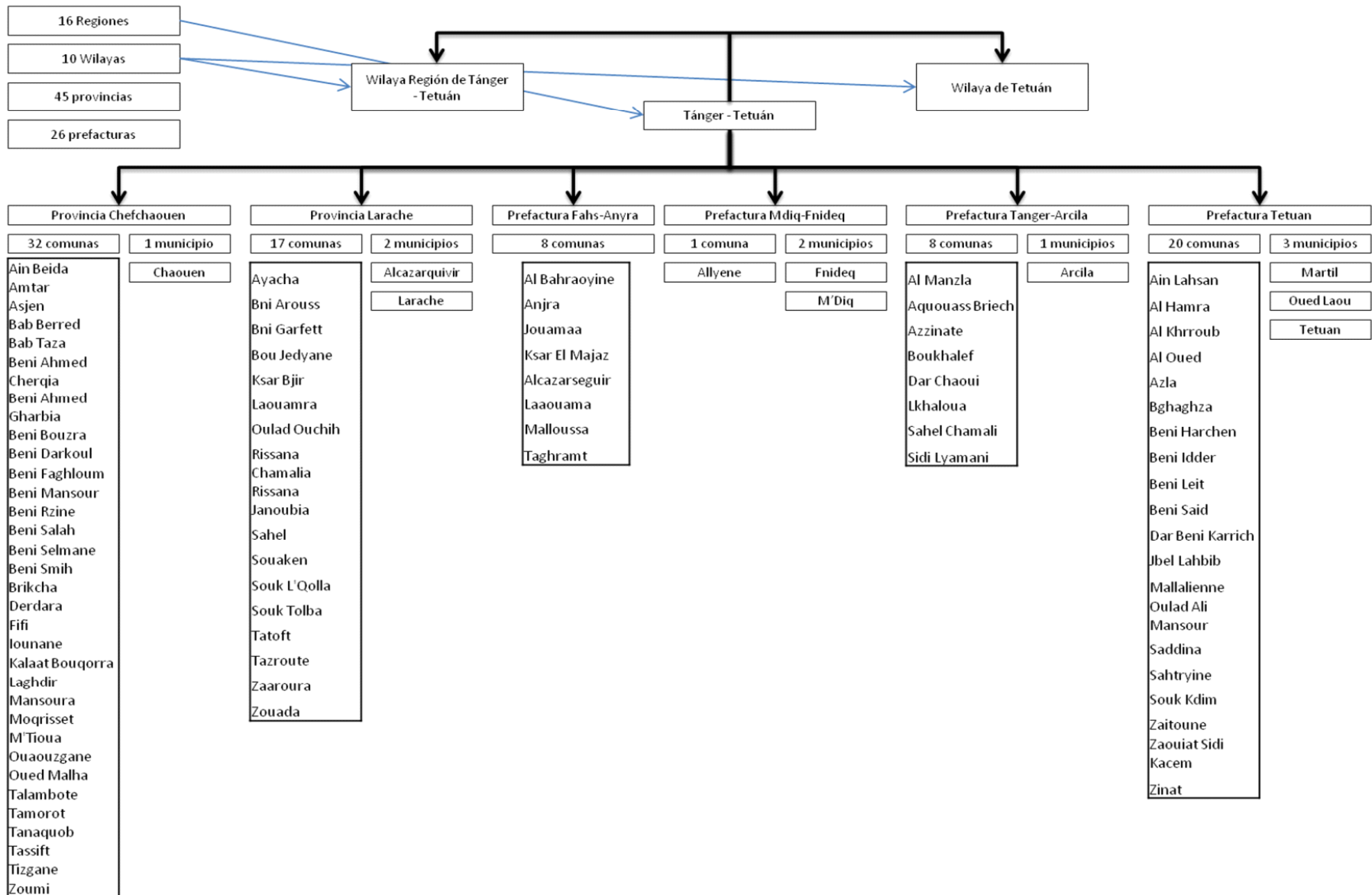
Council: President

Committes:

- Financial and budgeting
- Planning and order in the territory
- Economy, social security and employment
- Health and hygiene
- Agricultura and rural development
- Urbanism and environment
- Education, culture and professional training

*Source: Ojeda, 2010.*





## **DATABASE FOR STUDYING TERRITORIAL COOPERATION: Canelones (Uruguay)**

### **1. Economic and demographic potential (2006/2008, according to latest data)**

- Per Capita GDP (in euros) and comparison with the mean in the country

Department	GDP per capita in thousands of euros, year 2006	Relative to the mean in the country, %
Montevideo	6312	135%
Artigas	2878	62%
<b>Canelones</b>	<b>2799</b>	<b>60%</b>
Cerro Largo	3477	75%
Colonia	5563	119%
Durazno	3371	72%
Flores	4284	92%
Florida	4063	87%
Lavalleja	4140	89%
Maldonado	5454	117%
Paysandú	3723	80%
Río Negro	3840	82%
Rivera	2557	55%
Rocha	4084	88%
Salto	2656	57%
San José	3286	71%
Soriano	3259	70%
Tacuarembó	3361	72%
Treinta y Tres	3858	83%
<b>Country</b>	<b>4659</b>	<b>100%</b>

Source: Budget and Planning Office, latest available data.

- Total GDP (in euros) and comparison

Department	GDP in thousands of euros, year 2006	Relative to mean in the country, %
Montevideo	8.489.445	55%
Artigas	228.358	1%
<b>Canelones</b>	<b>1.409.744</b>	<b>9%</b>
Cerro Largo	309.144	2%
Colonia	672.483	4%
Durazno	204.105	1%
Flores	109.525	1%
Florida	283.266	2%
Lavalleja	256.128	2%
Maldonado	794.833	5%
Paysandú	429.639	3%
Río Negro	212.684	1%
Rivera	277.163	2%
Rocha	288.870	2%

Salto	335.086	2%
San Jose	350.473	2%
Soriano	282.399	2%
Tacuarembó	315.748	2%
Treinta y Tres	192.444	1%
<b>País</b>	<b>15.441.538</b>	<b>100%</b>
Source: Budget and Planning Office, latest available data.		

- Distribution of GVA (%) by productive activity (agriculture, industry, services, informal activity)

GVA DISTRIBUTION YEAR 2006				
Region	PRIMARY	SECONDARY	TERTIARY	TOTAL
<b>Canelones</b>	<b>11,3%</b>	<b>28,6%</b>	<b>60,1%</b>	<b>100,0%</b>
Montevideo	0,9%	42,5%	56,6%	100,0%
Interior	21,1%	23,4%	55,5%	100,0%
<b>Country</b>	<b>10,0%</b>	<b>33,9%</b>	<b>56,1%</b>	<b>100,0%</b>
Source: Budget and Planning Office, latest available data.				

#### Percentage of approximate informal activity by % of workers uncovered by social security

Department	2001	2002	2003	2004	2005	2006	2007	2008	2008, in % of mean in country
Montevideo	30,2	31	33,1	35,4	32,5	34,7	29,3	27,4	82
Artigas	52,3	54,4	53,7	57,3	52,4	46,3	48	50,6	152
<b>Canelones</b>	<b>38,3</b>	<b>41,6</b>	<b>47,1</b>	<b>48,3</b>	<b>47,9</b>	<b>36,4</b>	<b>36,7</b>	<b>35,1</b>	<b>105</b>
Cerro Largo	58,8	52,5	60,3	58,6	49,8	47,7	49,9	48,1	144
Colonia	35,7	36,4	39,4	38,3	44,4	28,1	34,9	32,7	98
Durazno	42,3	44,4	47,2	48	41,5	37,9	38,2	36,9	111
Flores	44,9	43,7	46,6	52,9	42,6	33,5	41,2	35,2	106
Florida	35,9	38,7	41,2	44,3	42,5	31,2	32,6	35,4	106
Lavalleja	45,9	41	40,7	44	42,3	34,2	35,8	33,4	100
Maldonado	42,3	45,5	43,3	36,4	42,3	34,2	33,3	31,6	95
Paysandu	42,8	47,1	39,8	42,3	37,3	32	35,1	33,6	101
Rio Negro	31,8	27,9	37,7	36,5	48,6	32,3	29,9	31,9	96
Rivera	55,3	57,3	53	56,8	51,7	52,3	54,4	53,4	160
Rocha	45	47,1	50,1	49,4	47,7	41,8	40,9	36,9	111
Salto	35,9	38,7	45,2	45,5	42,2	40,6	40,1	38,9	117
San José	38,9	45,7	45,5	47,8	46,4	32,9	37,6	39	117
Soriano	49,2	44,9	53,8	44,3	46,7	37,6	40,9	40,4	121
Tacuarembó	46,5	45,4	44,5	43,3	44,7	41,5	40,7	40,6	122
Treinta y Tres	45,5	37,8	47,2	49,8	44,4	39,5	36,5	38,4	115
<b>Country</b>	<b>36</b>	<b>37,2</b>	<b>39,5</b>	<b>40,7</b>	<b>38,7</b>	<b>36,5</b>	<b>34,7</b>	<b>33,3</b>	<b>100</b>

Source: MIDES Social Observatory

- Population (volume, age distribution, qualifications)

<b>Canelones, year 2008.</b>		
<b>Source: National Statistics Environmental Impact and Risk Institute Projection</b>		
<b>Age Group</b>	<b>Population</b>	<b>%</b>
0-4	38.476	7,5%
5-9	41.659	8,1%
10-14	44.170	8,6%
15-19	41.453	8,1%
20-24	37.798	7,3%
25-29	35.556	6,9%
30-34	37.325	7,3%
35-39	34.938	6,8%
40-44	33.409	6,5%
45-49	32.827	6,4%
50-54	28.437	5,5%
55-59	24.680	4,8%
60-64	20.747	4,0%
65-69	18.763	3,6%
70-74	15.874	3,1%
75-79	13.547	2,6%
80-84	8.562	1,7%
85-89	4.401	0,9%
90-94	1.529	0,3%
95 +	465	0,1%
<b>Total</b>	<b>514.616</b>	<b>100%</b>

<b>Year 2008. Population.</b>		
Canelones	514.616	15,4%
Uruguay	3.334.052	100%

Source: National Statistics Institute Projection

### Qualification of Population

<b>Geographical Area</b>	<b>% Unschooled (25-65 years). 2008 (a)</b>	<b>% Finished Secondary or Some Secondary (25-65 years). 2008 (a)</b>	<b>University Professional and Technical per 1000 inhab. 2010 (b)</b>	<b>Rate of repetition, public primary school (1st to 6th). 2008 (c)</b>	<b>Net basic cycle attendance (liceo and UTU technical school; 12 to 14 years). 2009 (d)</b>
Canelones	0,6%	50,1%	12,9	6,7%	70,5%
Interior	-	-	11,6	-	-
Montevideo	0,4%	51,2%	48,1	8,2%	72,2%
Entire Country	0,7%	50,0%	26,1	4,9%	71,9%

Source: (a) ECH de 2008; (b) CJPU; (c) ANEP; (d) Observ. Social MIDES / ANEP.

- Active Population

**Rate of total activity by gender and male and female comparison  
In percent (%). Year 2008.**

Department	% activity	% activity female	% activity male	TAF / TAM
Canelones	64	55	73	75
Country	63	54	73	75

Source: MIDES Social Observatory

- Rural/Urban Dimension

Urban and Rural Population, year 2008.		
Urban	Rural	% Rural
461.387	53.229	10,3%
Sources: Projections of National Statistics Institute		

- Migratory Movements

**Net rate of internal migration (per thousand) in some  
departments (past 5 years )**

Departments	1975	1985	1996	2006
Maldonado	7,2	-4,6	18,3	5,9
Canelones	10,6	5,2	16,1	4,8
San José	6,9	-2,3	4,9	4,8
Río Negro	-4,4	-6,2	-4,4	2,2
Montevideo	1	1,4	-2,3	-0,7
Rivera	-10,3	6,1	-4,9	-2,4
Artigas	-10,8	8	-12,7	-2,5
Cerro Largo	-8,2	2	-7,6	-3,5
Rocha	-0,5	5,4	-3,7	-4,6
Source: "Demografía de una sociedad en transición" UNFPA/UNDP-FCS/UDELAR				

## 2. Economic and Demographic Evolution (2000-2006/2008)

- Variance of total real GDP (%)

Evolution of total real GDP – Thousands of pesos, constant, 2005 base							
Region	2000	2001	2002	2003	2004	2005	2006
Canelones	25.337.925	24.459.505	23.856.830	25.740.689	25.999.739	34.380.656	37.105.050
<i>Canelones %</i>	-	-3,5	-2,5	7,9	1,0	32,2	7,9
Country	421.156.718	404.966.906	373.654.836	376.663.818	395.512.680	425.018.448	444.774.253
<i>Country %</i>	-	-3,8	-7,7	0,8	5,0	7,5	4,6

Source: Author's estimate for Canelones based on data from Budget and Planning Office; Source for Uruguay: Uruguay Central Bank.

- Variance of distribution of production (%)

Evolution of sector distribution of GVA in CANELONES		
Sector	1993	2006
Primary	14,4%	11,3%
Secondary	32,7%	28,6%
Tertiary	52,9%	60,1%

Sources: for 1993 UTE-UDELAR Agreement; For 2006: Budget and Planning Office.

- Variance of the population (%)

Years	Population as of 30 June each year	Exponential Rate of Growth (%)	Gross Birth Rate (per thousand)	Gross Mortality Rate (per thousand)	Life Expectancy at Birth			Child Mortality rate (per thousand)		
					Both Sexes	Male	Female	Both Sexes	Male	Female
2000	475.474	1,046	17,00	57	75,08	71,52	78,81	11,86	13,19	10,48
2001	480.471	0,838	16,48	8,51	75,34	71,61	79,17	11,70	14,67	8,64
2002	484.517	0,825	16,59	9,05	74,77	71,14	78,45	13,36	14,11	12,60
2003	488.533	1,046	16,08	6,48	79,26	76,05	82,63	12,94	14,33	11,47
2004	493.671	0,942	15,44	8,37	75,67	72,15	79,41	14,02	15,39	12,57
2005	498.344	1,063	15,33	8,39	75,79	72,28	79,51	13,73	15,22	12,13
2006	503.672	1,071	15,22	8,40	75,90	72,41	79,60	13,55	14,93	12,09
2007	509.095	1,079	15,11	8,42	76,02	72,55	79,71	13,12	14,38	11,79
2008	514.616	1,088	15,00	8,43	76,14	72,68	79,81	13,07	14,32	11,74

Source: National Statistics Environmental Impact and Risk Institute Projections

- Changes in migratory flow (%)

**Net internal migration rate (per thousand) in some departments  
(past 5 years)**

Departments	1975	1985	1996	2006
Maldonado	7,2	-4,6	18,3	5,9
Canelones	10,6	5,2	16,1	4,8
San José	6,9	-2,3	4,9	4,8
Río Negro	-4,4	-6,2	-4,4	2,2
Montevideo	1	1,4	-2,3	-0,7
Rivera	-10,3	6,1	-4,9	-2,4
Artigas	-10,8	8	-12,7	-2,5
Cerro Largo	-8,2	2	-7,6	-3,5
Rocha	-0,5	5,4	-3,7	-4,6

Source: "Demografía de una sociedad en transición" UNFPA/UNDP-FCS/UDELAR

### 3. Social and Environmental Progress

- Quality of Life
  - Poverty and social cohesion
  - Environmental effects

**Household Income**

Variable	Average monthly household income per capita (not counting rent value), current pesos				
	2004	2005	2006	2007	2008
In Canelones	\$U 4.295	\$U 4.422	\$U 4.996	\$U 5.598	\$U 7.585
% de la media país	79,0%	73,9%	85,1%	84,7%	91,2%
% del valor del Interior	108,3%	100,2%	106,7%	106,3%	115,4%
% del valor de Montevideo	64,4%	64,3%	65,8%	64,7%	70,5%
Ranking within 19 Departments	8	10	4	6	2

Source: Prepared by author based on data from National Statistics Environmental Impact and Risk Institute

**Poverty**

Department	Percent of poor persons (%)			
	2002	2006	2007	2008
Canelones	17,2	24,7	23,0	15,5
Montevideo	22,9	27,3	26,7	23,2
Entire Country	23,7	27,5	26,0	20,5

Source: Prepared by author based on data from UNDP (2005) for year 2002 and MIDES for years 2006 to 2008.

**Other Dimensions**  
**(Distribution of income and persons in Irregular Settlements – I.S.)**

<b>Geographic Area</b>	<b>Gini Index 2007</b>	<b>% Population in I.S. (persons). 2006</b>
<i>Canelones</i>	0,413	3,3%
<i>Montevideo</i>	0,460	10,9%
<i>Country Total</i>	0,457	6,2%

Source: for Gini Index, MIDES Social Obs. for I.S., National Statistics Institute-PIAI.

<b>Environmental Indicators</b>	<b>Year</b>
<b>Volume of liquid effluent dumped by industrial establishment (m3 per year)</b>	<b>2009</b>
<i>Canelones</i>	6.231
<i>% with respect to average among departments</i>	165%
<i>% with respect to Montevideo</i>	47%
<b>Biochemical oxygen demand for industrial dumping (R/year)</b>	<b>2010</b>
<i>Canelones</i>	974
<i>% with respect to average among departments</i>	154%
<i>% with respect to Montevideo</i>	29%

Source: Prepared by author with data from MVOTMA

<b>Geographic Area</b>	<b>Households (%) with access to sanitation system 2009</b>
<i>Canelones</i>	13,6%
<i>Interior</i>	39,5%
<i>Montevideo</i>	82,9%
<i>Country Total</i>	58,2%

Sources: ECH Microdata Processing 2009



**Percent of households lacking access to running water in the home  
(%)**

Department	2006	2007	2008	2009
Montevideo	2,2	2,1	1,9	1,5
Artigas	14,3	11,9	10,5	8,6
<b>Canelones</b>	<b>8,8</b>	<b>10,8</b>	<b>8,7</b>	<b>8,1</b>
Cerro Largo	19,0	17,0	12,3	15,8
Colonia	9,1	7,6	5,7	7,6
Durazno	13,1	11,7	12,8	12,2
Flores	5,4	5,6	6,2	5,5
Florida	13,5	9,4	13,6	9,8
Lavalleja	13,7	13,2	9,5	10,9
Maldonado	6,5	5,6	4,9	4,1
Paysandú	13,3	11,4	9,0	8,0
Rio Negro	11,4	10,8	8,7	5,9
Rivera	17,4	15,9	14,0	13,3
Rocha	13,3	9,0	8,0	8,9
Salto	11,8	11,3	8,8	9,4
San José	9,8	10,2	8,1	7,3
Soriano	10,2	8,6	7,1	6,0
Tacuarembó	17,6	15,8	17,4	13,4
Treinta y Tres	14,7	11,2	13,6	9,9
Small communities and rural areas				
	40,3	25,9	23,3	23,3
Country Total	7,6	7,1	6,2	8,9

Source: MIDES Social Observatory

#### 4. Changes in labor market (2000-2008)

- Variance of active population (%)
- Rate of economic activity (%)
- Employment rate (%)
- Qualification of labor
- Unemployment rate (%)

#### Rate of Economic Activity by Department. In %.

Department	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Canelones</i>	61,4	63	61,4	60,1	60,7	58,4	62,8	62,5	63,7
Montevideo	61,3	62,6	61,2	59,6	59,8	59,1	61,6	64	63,9
Country	59,6	60,6	59,1	58,1	58,5	58,5	60,9	62,7	62,6

Source: MIDES Social Observatory, based on National Statistics Institute

**Employment Rate by Department. In %.**

Department	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Canelones</i>	52,7	53,5	50	47,5	51	50,4	54,5	55,8	58,4
Montevideo	52,8	53	50,8	49,7	52	52,1	55,1	58,4	59,3
Country	51,5	51,4	49,1	48,3	50,8	51,4	53,9	56,7	57,7

Source: MIDES Social Observatory, based on National Statistics Institute

**Educational Level of Population Age 25 to 64. Year 2008. In %.**

Department	Unschoolled	Primar	Some Secondary	Finished Secondary	Non-University Higher Education	University Higher Education	Total
<i>Canelones</i>	0,6	34,0	37,8	12,3	3,0	12,2	100,0
Montevideo	0,4	21,5	35,7	15,5	2,6	24,3	100,0
Country	0,7	31,1	37,3	12,7	3,3	15,0	100,0

Source: Created based on ECH of National Statistics Environmental Impact and Risk Institute

**Unemployment Rate by Department. In %.**

Department	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Canelones</i>	14,2	14,9	18,6	20,9	16	13,8	13,3	10,7	8,3
Montevideo	13,9	15,5	17	16,7	12,9	11,8	10,6	8,6	7,2
Country	13,6	15,3	17	16,9	13,1	12,2	11,4	9,6	7,9

Source: MIDES Social Observatory, based on National Statistics Institute.

**5. Accessibility and flow**

- Distance to the nation's capital
- Means of transport and communication
- Accessibility to markets by highway, boat and airplane
- Number of passengers using transport
- Number of tourists

Canelones is a department that borders on the department of Montevideo, which is practically a Department-city. The capital of the country, Montevideo, is **46 km** from the capital of Canelones, the city of the same name (Canelones). But the conditions of the metropolitan area make it so several of the cities in Canelones, in the south, are almost like an extension of the Montevideo urban area.

Geographical Area	Road network density: km of network for each 10 km <sup>2</sup> (sup). 2007	Km of superior quality road network (%): sup/total. 2007
<i>Canelones</i>	4,4	34,3%
<i>Interior</i>	0,92	21,3%
<i>Montevideo</i>	3,92	50,0%
<i>Country Total</i>	0,94	21,7%

Sources: Prepared by the author from MTOP data for the road network.

Visitors entering country, by principal destination				
Destination	2008		2007	2006
Montevideo	688.331	34%	695.249	691.616
Punta del Este	594.415	30%	556.174	518.659
Litoral Termal	180.566	9%	122.837	189.439
Colonia	158.901	8%	112.377	99.358
Otras/Tránsito	117.556	6%	138.687	162.134
Costa Oceánica	106.071	5%	55.622	58.337
<b>Canelones (Costa de Oro)</b>	<b>80.324</b>	<b>4%</b>	<b>78.926</b>	<b>55.640</b>
Piriápolis	71.720	4%	55.409	49.157
<b>Country Total</b>	<b>1.997.884</b>	<b>100%</b>	<b>1.815.281</b>	<b>1.824.340</b>
Source : Ministry of tourism				

## 6. Governance

- System of self-government: organization and functions:
- Regional/Municipal/State authorities present in the territory
- Number of municipalities
- Local/Regional administrative expense expressed as a % of public spending
- Quality of local public management

### Municipalities of the Department of Canelones: 29 Municipalities

Names of the Cities: Aguas Corrientes, Atlántida, Barros Blancos, Canelones, Ciudad de la Costa, Colonia Nicolich, Empalme Olmos, Joaquín Suárez, La Floresta, La Paz, Las Piedras, Los Cerrillos, Migueles, Montes, Pando, Paso Carrasco, Parque del Plata, Progreso, Salinas, San Antonio, San Bautista, San Jacinto, San Ramón, Santa Lucía Santa Rosa, Sauce, Soca, Tala y Toledo.

Investment by City Governments relative to income– year 2007			
Department	% of total income of city governments allocated to investment	Total Income (thousand of current pesos)	Investments (thousands of current pesos)
CANELONES	34,08%	1.729.258	589.269
MONTEVIDEO	14,81%	7.569.756	1.121.093
TOTAL 19 CITY GOVERNMENTS	18,98%	19.012.913	3.609.212
Source: 2007 Annual Report, Official National Auditing Office			

<b>City Government of Canelones - Resources 2008 (pesos)</b>		
<b>Income</b>	<b>2.975.438.006</b>	<b>100%</b>
<b>A – Income from Department</b>	<b>2.630.138.006</b>	<b>88%</b>
Property Tax	1.344.538.698	51%
Vehicle Tax	497.025.583	19%
Other taxes, fees, services.	788.573.725	30%
<b>B – Income from Nation</b>	<b>345.300.000</b>	<b>12%</b>
Article 214 of the constitution:	275.000.000	80%
Art. 298 of the constitution:	64.000.000	19%
Resources established by other legal provisions	0	0%
Resources earmarked for specific purposes	6.300.000	2%
<b>Expenses</b>	<b>2.759.048.950</b>	<b>100%</b>
<b>Operations</b>	<b>1.698.065.425</b>	<b>62%</b>
Social Development	33.897.794	2%
Culture	76.596.835	5%
Development of Productivity	16.504.370	1%
Canarios Strategic Studies Committee <i>Comisión De Estudios Estratégicos Canarios</i>	2.699.654	0%
Local Government	313.022.275	18%
Administration and other programs	1.255.344.497	74%
<b>Total Investment Programs</b>	<b>1.060.983.525</b>	<b>38%</b>
Urban and Rural Roadways	799.218.569	75%
Architectural Works	37.130.932	3%
Housing Development	104.931.533	10%
Fixed Assets	119.702.490	11%
<b>Operations Surplus</b>	<b>216.389.056</b>	<b>-</b>
Source: City Government of Canelones		

<b>Year 2008</b>			
<b>Budget Comparison between Canelones Departmental Government and National Government (millions of pesos)</b>			
<b>Item</b>	<b>National Government</b>	<b>Canelones City Government</b>	<b>% Departmental/National Government</b>
Income	146.485	2975	2,0%
Outlay	155.686	2759	1,8%
<i>Operations</i>	<i>90,1%</i>	<i>62%</i>	-
<i>Investments</i>	<i>9,9%</i>	<i>38%</i>	-
Sources: Canelones City Government and the National Accounting Office			

## **DATABASE FOR THE TERRITORIAL COOPERATION STUDY: Rosario (Argentina)**

### **1. Economic and demographic potencial (2008)**

- a. Per capita GDP per capita (in euros) and comparison with the mean in the country.

14.737 pesos (year 2005)- higher than GDP for the country by almost 20%.

- b. Total GDP (in euros) and comparison.

5% of GDP for the country.

- c. Distribution of GVA (%) by productive activity<sup>14</sup> (agriculture, industry, services, informal activity)

Share of each category of activity in the GGP<sup>15</sup> (2004):

Secondary Sector: 17,69 %

Tertiary Sector: 82, 31%

Secondary Sector Breakdown:

Manufacturing Industry: 11.83%

Supply of Electricity, Gas and Water: 3,33%

Construction: 2,53 %

Tertiary Sector Breakdown:

Wholesale and Retail Trade: 25.5%

Hotels and Restaurant: 2,6%

Transportation and Road Communication: 9,71%

Financial Intermediation: 3,47%

Real Estate and Business: 19.93%

Public Administration and Defense: 3,87%

Education: 4,17 %

Health and Social Services: 7,41%

Other Community Activity: 4,52%

Homes with Domestic Service: 1,48%

- d. Population (volume, age distribution, qualifications)

#### IV TRIMESTER 2008

Total: 1.070.604 inhabitants.

<sup>14</sup> Without the Primary Sector

<sup>15</sup> Gross Geographical Product (GGP): Value Added per Geographical Unit. In this case "Grand Rosario".

From 10 to 19 years of age: 214.407 (20%)  
 From 20 to 29 years of age: 223.968 (20.9%)  
 From 30 to 39 years of age: 171.775 (16%)  
 From 40 to 49 years of age: 147.149 (13,7%)  
 From 50 to 59 years of age: 122.659 (11,5%)  
 From 60 to 69 years of age: 89.368 (8,3%)  
 70 and over: 101.278 (9.5%)

No Schooling / Special Education / Some Primary: 156.018 (14.6%)  
 Primary Finished: 236.946 (22,1 %)  
 Some Secondary: 205.992 (19,2 %)  
 Secondary Finished: 211.362 (19,7%)  
 Some Higher / University: 127.379 (11.9%)  
 Higher / University Finished: 132.907 (12.4 %)

e. Active population

IV trimester 2008

EAP: 575.087  
 Employed: 530.811  
 Unemployed: 44.276  
 Inactive: 495.517

f. Rural/Urban Dimension, metropolitan characteristics

Following the criteria of geographical continuity:

- Gran Rosario Metropolitan Area: 11 municipalities (cities with over 10.000 inhabitants) and communes (cities with fewer than 10.000 habitantes). This definition is used for elaboration of the census and statistical information, and is known as *Aglomerado Gran Rosario* (AGR).

Following the criteria of functional interdependency:

- Rosario Region: 62 municipalities and comunas. This criterion was adopted to draw the limits defined by the Rosario Region Development Agency (ADERR). This urban-rural area has an estimated population of 1,400,000 inhabitants.

g. Migratory movements

Data unavailable.

**2. Economic and demographic evolution (2000-2008)**

- Total Real GDP Variance (%)

Pending

- Variance in Production Distribution(%)

Pending

- Population Variance (%)

6.9 % (relative inter-census variance 2001- 2010)

- Changes in migrant flow (%)

No data available

### 3. Social and Environmental Progress

- Quality of Life

Education: 1419 Educational facilities (headquarters and annexes) – Official and Private Sectors

- Concentration of scientific and technical personnel that is 50% higher, relative to the population, than the average in Argentina;
- Almost 8% of the total population of the city is studying at university
- 1 of 8 students are pursuing technical careers.
- 6 universities, 18 scientific investigation institutions
- 2 technology transfer institutes linked to multiple disciplines

Health: 11 municipal health centers, 35 provincial and national

Culture: 7 municipal museums, 2 provincial museums, y 5 private museums. 27 theaters, 9 cinemas.

- Poverty and social cohesion

2nd semester 2008- Proportion

Poor households: 8,0

Poor persons: 12,0

Indigent households: 2,9

Indigent persons: 3,9

428 civil society organizations

- Environmental Effects

- Territorial imbalance between consolidated spaces and periferal areas with infrastructural insufficiencies and lack of coverage for basic services.

- Insufficient legislative framework and lack of permanent political-institutional mechanisms to develop sustainable urban policies in the metropolitan area.
- Inadequate distribution of freight transport with little use of railroads and rivers.
- Saturation of the existing infrastructure for transport of freight to the agricultural export terminals.
- Increase in urban traffic of vehicles, worsening traffic congestion in the center of the city.
- Increase in the amount of urban and industrial solid waste in the cities within the area.
- Precarious basic infrastructure on the edges of streams, and deterioration of the riverbeds.
- Persistence in burning pasture land in the Paraná Delta, endangering the sustainability of the ecosystem.

#### 4. Changes in the labor market (2000-2008)

Information available for 2003- 2008 (figures from the last quarter of each year were used for the table)

Rate / Year	2003	2004	2005	2006	2007	2008	Variation 2003- 2008
Activity	44,3	44,3	45,6	46,8	47,4	46,1	1,8
Employment	36,9	38	40,3	42,4	43,1	42,6	5,7
Unemployment	16,6	14,4	11,7	9,5	9	7,7	-8,9

#### 5. Accesibility and flow

- Distance from the nation's capital:  
300 km
- Means of transportation and communication:  
Land, river, railroad, and air transportation.  
Paraná- Paraguay Hydro-Highway
- Accesibility to markets by road, boat, and airplane:
  - Land: 7 routes (Route 9, 11, 33 and 34, Freeway to Córdoba, to the Federal Capital and to the provincial capital city, Santa Fe)
  - Water: Rosario Port
  - Air: International Airport
- Number of passengers who use transportation  
156.208.471 (year 2007)
- Number of tourists  
689.867 (year 2007)



## 6. Governance

- Sistema de self-government: organization and functions

Executive branch: Mayor, direct election every 4 years.

Legislative branch: City Council, direct election every 2 years.

- Regional/Municipal/State Authorities present in the territory

### Municipal Authorities and Departments

#### Mayor

- i. Secretaria of Government
- ii. Secretary of the Treasury and Economy
- iii. Secretary of Public Health
- iv. Secretary of Public Works
- v. Secretary of Public Services and the Environment
- vi. Secretary of Planning
- vii. Secretary de Social Issues
- viii. Secretary of Culture and Education
- ix. Secretary of Production and Local Development
- x. Secretary General
- xi. Office of the Cabinet Coordinator
- xii. International Relations Office
- xiii. Social Communications Office
- xiv. Public Housing Service

#### Provincial Authorities:

- Ministry of Government and State Reform
- Ministry of Justice and Human Rights
- Ministry of Social Development
- Secretary of the State for Science, Technology and Innovation
- State Auditor

- Number of municipalities

Gran Rosario Metropolitan Area (AGR): 11 municipalities

- Local/Regional Administrative Spending as a % del public spending

- 2008 Budget spent

Public Spending 1.121.380.601 pesos

General Administration Expense 197.780.834 pesos

- Quality of local management of public administration

11 international awards

## 6.7 Annex: Ideas from other ESPON projects for TERCO

ESPON Projects 2006	What is potentially useful there for TERCO (e.g. typology, model, etc.)	How we can use it in particular WPs, which topic, etc.)	Reference to documents (e.g. METROBORDER Interim Report ch. 2)
<b>111:</b> 'Potentials for polycentric development in Europe	<p>new concept such as 'PUSH' (Potential Urban Strategic Horizons) and 'PIA' (Potential Polycentric Integration Areas)..</p> <p>+ Three concepts were used for the typology, (1) Metropolitan European Growth Areas (MEGAs), (2) Transnational/national FUAs and (3) Regional/Local FUAs.</p> <p>developed an important body of theory and research on cooperation and partnership in spatial policies</p> <p>Models of cross-border urban cooperation (following polycentricity), transnational network (Interreg C)</p> <p>strategic planning instruments: (1) spatial visions, (2) regional economic strategies and (3) planning guidelines or principles</p>	<p>Potential for cooperation</p> <p>Wp 2 3 and 2 4</p> <p>Wp 2 5 and 2 6</p> <p>Wp 2 5 and wp 2 6</p> <p>wp 26 ex of governance</p>	<p>FR + annexe D</p> <p><b>caution: this report was undergoing strong criticism as for methodology and results on FUA: please refer to 1 4 3)</b></p> <p>FR, p 179-205 +annex C</p> <p>FR p 173-174 FR p 175-176</p> <p>annexe B</p>
<b>study 1.4.3</b> 'Urban functions'	<p>exhaustive list of FUAs, incorporating Morphological Urban Areas (MUAs) of cities in the definition of the FUAs.,</p> <p>including transborder FUA (Definition of twin city)</p>	<p>Potential for cooperation</p> <p>Wp 2 3 and 2 4</p> <p>Wp 2 4</p>	<p>FR</p> <p>FR p 129 and on</p>
<b>1.4.4</b> 'Preparatory Study on Feasibility of Flows Analysis'	<p>identifies the first set of 9 fundamental types of flows relevant for ESPON matters: 1) trade flows, 2) financial flows, 3) migration flows, 4) transport flows, 5) commuter flows, 6) tourist flows, 7) cultural exchange, 8) information flows and 9)</p>	<p>Wp 2 3</p> <p>Wp 2 5</p>	<p>FR</p>

	<p>environmental flows</p> <p>provides a first list of data sources, and identifies gap</p>		
<b>3.4.1</b> 'ESPON in the world'	<p>international flows and cooperation with transcontinental and neighbouring countries.</p> <p>Thematic maps with historical, cultural or sociological subjects (cultural networks, colonial heritage, etc</p> <p>strategic typology of ESPON 29 relations with the World</p> <p>integrated tools to analyse the EU in the world, thematic analyses on economy, demography environment, accessibility and the ESPON 29 neighbourhood</p> <p>Data on finance, economy, air and demographic flows</p> <p>Border targeted case studies</p>	<p>All wp when dealing with neighbouring countries and transcontinental cooperation</p> <p>Potential for cooperation</p> <p>Wp 2 3 and Wp 2 5</p> <p>Wp 2 5 and wp 2 6</p>	<p>FR, vol 1, Part 1 and 2 (international) part 3 (neighbouring)</p> <p>FR vol 1</p> <p>FR vol 1</p> <p>FR, vol 2</p> <p>FR vol 3</p>
<b>2.4.2</b> 'Integrated analysis of transnational and national territories	<p>analyses territorial weaknesses and development opportunities at different territorial scales.</p> <p>Regional Classification of EUrope with 8 eight basic thematic fields economy, Lisbon performance, labour market, demography, naturalness, natural hazards, technological hazards, accessibility</p> <p>patterns of transnational co-operation</p> <p>INTERREG IIIB with regard to spatial locations of project partners, territorial allocation of co-operation</p>	<p>Wp 2 3 and wp 2 4</p> <p>Wp 2 3</p> <p>wp 2 5 and wp 2 6</p>	<p>FR (caution: this report was undergoing strong criticism as for methodology and results)</p> <p>P 22-25 p 47-196</p> <p>p 197 and on</p> <p>P27 -30 P 222 and on</p>

	<p>budgets and with respect to different thematic fields of co-operation</p> <p>identify transnational spatially-connected and unconnected areas with specific common characteristics</p> <p>identify: 1) the most important fields of co-operation, and 2) territories that have a lot of potential for cooperation in general or in certain thematic areas..</p> <p>identify 9 global integration zones</p>	<p>potential for cooperation</p> <p>potential for cooperation</p> <p>potential for cooperation</p>	<p>P 290 and on</p> <p>P 7-8(map)</p>
<p><b>2.3.2</b> 'Governance of territorial and urban policies from EU to Local Level'</p>	<p>several key dimensions pose challenges for closer integration and more successful territorial governance: national regulative and institutional frameworks;</p> <p>political will; capacity of local authorities; funding; identification of final beneficiaries and citizen involvement, stakeholders and interested parties; consensus building; and cross-sector co-ordination (e.g. between local authorities and working groups).</p>	<p>Wp 2 5 and 2 6</p>	<p>FR + annexes</p> <p>Cf text V Biot for wp 26</p>
<p><b>3.3</b></p>	<p>Examine <i>territorial dimension</i> of competitiveness in sustainability</p> <p><b>4 synthetic criteria (composite indicators</b> relating to: <b><i>Innovation and Research; Global/Local Interaction; Quality; Resources and Funds</i></b>) at national, regional, sub-regional spatial and territorialised scale for the enforcement of Lisbon/Gothenburg</p> <p><b>14 short list indicators</b> 1 :Gross Domestic Product per inhabitant (R) 2. Gross Domestic Product per employed person (R) 3.</p>	<p>All wps aspect of sustainability</p> <p>Def of 'quality '</p> <p>ESDP triangle : economic</p>	<p>FR</p> <p>Map p 45 FR part 1</p> <p>FR part 1 + dvlpt in part 2</p>

	<p>Employment rate (R) 4. Employment rate of older workers (R) 5. Gross domestic expenditure on research and development (R) 6. Youth education attainment levels (N) 7. Comparative price levels (N) 8. Gross Fixed Capital Formation/GDP (N) 9. At-risk-of-poverty rate after social transfers (N) 10. Dispersion of regional (un)employment rates (R) 11. Long-term unemployment rate (R) 12. Greenhouse gas emissions (N) 13. Energy-intensity of the economy (N) 14. Volume of freight transport relative to GDP (N)</p> <p><b>A strategy for sustainable development</b></p> <ul style="list-style-type: none"> <li>• a new approach to policy-making</li> <li>• the global dimension - Johannesburg</li> <li>• environmental priorities for sustainability</li> <li>• combating climate change / Kyoto</li> <li>• ensuring sustainable transport</li> <li>• addressing threats to public health</li> <li>• managing natural resources more responsibly</li> <li>• maritime safety</li> </ul>	<p>(1-8)</p> <p>social (9-11)</p> <p>environment (12-14)</p>	<p>FR part 2 p 29 and on</p>
<p><b>ESPON 2013 projects</b></p>			
<p><b>metroborder</b></p>	<p>addresses cross-border metropolitan polycentric regions (CBMRs) : 11 CBRMs are analysed. selection of these regions based on ESPON 2006 report 1.4.3).</p> <p>analyse functional integration indicators :</p> <p>cross-border commuting between 2000 and 2006</p> <p>cross-border transportation lines</p> <p>population density and growth</p> <p>development of the citizenship</p>	<p>Wp 2 3</p> <p>Wp 2 3 + Wp 2 5</p>	<p>Interim report + annexes DFR to come soon P 15-16</p> <p>P 12 and on</p>

	<p>regional GDP</p> <p>institutional integration</p> <p>two Case studies – the Greater Region and the Upper Rhine, governance analysis and strategy building</p> <p>28 cross border functional regions identified</p>	<p>Wp 2 6</p> <p>Wp 2 6 EGTC as managing authority for Interreg program: Grande Region</p> <p>Potential for cooperation</p>	<p>P 36 and on</p> <p>P 47</p> <p>P 15</p>
<p><b>FOCI</b></p> <p>Future Orientations for Cities</p>	<p>trends, perspectives driving forces for urban development in thematic fields.</p> <p>+innovative empirical research questions, generally tapping new data sources</p> <p>+ scenarios</p> <p>Polycentric cooperation</p> <p>Case studies cooperation between ‘cross border cities’</p>	<p>WP 2 4</p> <p>Potential for cooperation</p> <p>Wp 2 5 and 2 6</p>	<p>Cf EUroreg participant to FOCI</p> <p>Maciej Smętkowski, Adam Płoszaj</p> <p>DFR, p 57</p> <p>Scientific report, p 463</p> <p>DFR, p 58</p>
<p><b>Geospecs</b></p>	<p><b><u>strategic targets, to be examined</u></b> :-</p> <ul style="list-style-type: none"> <li>- Socially balanced development,</li> <li>- Ecologically sustainable development,</li> <li>- Sustainable management of natural resources,</li> <li>- Promotion of high quality of life and defence of a European model of society,</li> <li>- Promotion of cultural diversity,</li> <li>- Cross-border integration within Europe and along Europe’s external borders.</li> </ul> <p><b><u>geographic specificities considered:</u></b></p> <ul style="list-style-type: none"> <li>- Border regions, (exploring the</li> </ul>	<p>Still unknown</p> <p>Potentially all wp</p>	<p>Inception report</p>

	<p>specificity of border situations in e.g. mountainous, sparsely populated, insular, coastal or outermost contexts.), use 'typology of European border regions proposed by Topaloglou et al'</p> <ul style="list-style-type: none"> <li>- Coastal areas,</li> <li>- Inner peripheries.</li> <li>- Mountain areas,</li> <li>- Islands,</li> <li>- Sparsely populated areas,</li> <li>- Outermost regions,</li> </ul>		
<b>TIGER</b>	<p>3 main objectives:</p> <p>to assess the territorial structures of Europe in a comparative perspective and their impacts on competitiveness, social and territorial cohesion (WP2.2).</p> <p>to assess how Europe, its regions and cities participate in the global flows and networks (trade, FDI, finance, knowledge, human mobility) and how the global processes impact on the territorial structures of Europe (WP2.3)</p> <p>to analyse how Europe and its territories position themselves in the world through cooperation and networking with other parts of the world and how it participates in achieving the objectives of improving competitiveness as well as social and territorial cohesion (WP2.4)</p>	<p>Still unknown</p> <p>Potentially those working on transcontinental flows and cooperation, as well as neighbourhood countries</p> <p>+ wp 2 3</p>	Inception report

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ISBN



# TERCO

## European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life

Applied Research 2013/1/9

**ANNEX to the Interim Report  
resubmitted on 25.10.2011**

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## **Introduction**

This Annex is a reviewed version of the document submitted on 23/09/2011. It addresses issues raised both in the Response of the Coordination Unit (CU) to the Interim Report (31/08/2011) and the revised version of the Response (13/10/2011). The main changes comparing to the previous versions of Annex are the following additions: i) chapter 3. "Addressing policy questions in the TERCO project", ii) adjusted Table of Contents of the (Draft) Final Report taking a better account of further research and policy questions; iii) chapter on miscellaneous issues. Other detailed issues mentioned for further investigation in the CU response document will be fully covered in the Draft Final Report, which is due to 2<sup>nd</sup> of March 2012.

### **1. Links between TERCO objectives and the Project Specification**

TERCO project investigates the impact of the European Territorial Cooperation on socio-economic development, which means that the formulation of its goals had to be tailored to the needs of the specificity of the project, which is investigated under a general call on "Territorial cooperation in transnational areas, between regions and across internal/external borders". At the same time, it was assured that all goals from the Project Specification are included into TERCO, both implicitly and explicitly. Table 1 shows the implicit correspondence of TERCO goals in relation to the goals of the tender, while Table 2 shows explicit project tools which cover the questions stated in the Project Specification. So the complete picture on how the goals and questions' from Project Specification were included into TERCO is when the two tables are analysed simultaneously. All in all, while goals of TERCO are rearranged and may seem not identical comparing to the Project Specification goals, still all the questions from the Project Specification are addressed through the use of scientific tools in the Project (questionnaires, interviews, statistical analyses and models).

**Table 1 Correspondence between the goals from the Project Specification and TERCO project objectives and research questions**

Goals from <b>Project Specification</b>	Goals and questions from <b>TERCO Project</b> (Interim Report, Table 2-1, p14)
<p><b>1. Identification of new <u>territorial cooperation areas</u></b></p>	<p>→ New <u>territorial cooperation areas</u> will be discovered by analysing (in)adequacy of the current cooperation areas within objective 2 of the TERCO Project:</p> <p><b>2. To assess the adequacy of existing TTC types and <u>areas</u></b></p> <p>It corresponds more specifically to the TERCO research question:</p> <p>2.3 Which <b>areas</b> .... of cooperation are desirable, but underdeveloped within currently supported programs?</p>
<p><b>2. Identification of <u>domains</u> for cooperation</b></p>	<p>→ The most desirable <u>domains</u> for cooperation will be discovered within goal 3 and 2 of TERCO, where we investigate which domains are best for which types of cooperation and which domains assure higher integration of the cooperating units:</p> <p><b>3. To identify key determinants of successful TTC</b></p> <p>3.2 Which ..... <b>domains</b> of TTC have the highest potential for cooperation in terms of developing and implementing shared strategies and contributing to territorial integration?</p> <p>3.3 What is the relationship between the different territorial TTCs and their .... <b>domains</b>?</p> <p><b>2. To assess the adequacy of existing TTC types and areas</b></p> <p>2.3 Which ..... <b>domains</b> of cooperation are desirable, but underdeveloped whinin currently supported programs?</p>
<p><b>3. Identification of <u>adequate territorial structures for cooperation</u> and analysis of</b></p>	<p>→ This goal is fulfilled within TERCO goal 1, where the <u>adequate territorial structures</u> will be identified as</p>

<p><b><u>specific border situations</u></b></p>	<p>similar/analogical to those which proved to have a positive impact on socio-economic development so far.</p> <p><b>1. To estimate the impact that various types of TTC have on socio-economic development</b></p> <p>Various types of TTC were applied to various territorial structures so the questions raised in TERCO are more generally referring to TTC types but those TTC types include also the information on various cooperation structures behind those types. So the implicitly corresponding questions are:</p> <p>1.1 Which types of TTC proved most relevant to boost economic growth, create new jobs, or improve the quality of life?</p> <p>1.2 Which type of TTC brings the highest value added? In other words, without which TTC type would certain goals not have been achieved at all or to the same scale, time, or quality?</p> <p>1.3 What factors explain the general and specific interrelationships between TTC and regional development (e.g., location, level and structure of development, governance system and performance and types of TTC in which they are active)?</p> <p>➔ <u>Specific border situations</u> are assured by using a wide range of the border Case Studies (bi-lateral and tri-lateral) which cover various types of territories: mountain areas, rural areas, etc. We also investigate differences in cooperation structures between Old and New member states, so the corresponding question in TERCO is:</p> <p>3.4 What, if any, are the differences in successful cooperation with regards to New Member States vs Old Member</p>
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	States, supporting hard investments (e.g. infrastructure) vs soft measures (e.g. cultural exchange)?
<p>4. Identification of <u>driving forces</u> of and <u>governance structures</u> for cooperation</p>	<p>→ Driving forces are investigated under TERCO's objective 3. Where we ask about key determinants of cooperation (driving forces are among the determinants). SO the corresponding question in TERCO is:</p> <p>3.1 What are the key <b>determinants</b> of cooperation that bring development and value added at the same time?</p> <p>→ Governance is a separate and very important objective in TERCO, having also a separate Work Package. The objective is as follows:</p> <p><b>4. To establish good practices of governance for successful TTC</b></p> <p>Practically all research questions from this TERCO objective are corresponding to the analogical PS goal:</p> <p>4.1 To what extent do governance structures and institutional frameworks vs routines and day to day practices influence the cooperation at different TTC levels?</p> <p>4.2 How different are governance structures (models) in INTERREG programs and other cooperation programs?</p> <p>4.3 What forms and structures of governance of TTC constitute 'good practice', in terms of their contribution to socio-economic development in different types of territorial situation?</p> <p>4.4 How to achieve/increase synergies between different types of TTC?</p>

## 2. Matching Project Specification with the Interim Report

Questions raised in the Project Specification (PS) are explicitly covered in the TERCO In-depth Interviews. Besides, PS questions will also be addressed by analysing electronic questionnaires (CAWI) and from the result of the SEM model. Apart from qualitative methods, also quantitative methods as Network Analyses and Typologies will contribute to answering the PS research questions.

Table 2 matches the questions from PS with those included into TERCO Interviews (IDI) – presented in Interim Report as Annex 6.2 . One can see that some of the PS questions are almost identical to those in IDI interview, and some other are rephrased and none of the PS questions is missing.

Objectives and research questions from the Project Specification (PS)	Where addressed specifically in the TERCO Interim Report (IR):
<p style="text-align: center;"><b>1. Identification of territorial cooperation areas</b></p> <p><b>MATCHING:</b>            PS Q.1.1 ---&gt; TERCO Q. 1.5, Q 1.6            PS Q. 1.2 ---&gt; TERCO Q.1.2, Q. 1.3, Q.3.4            PS Q. 1.3 ---&gt; TERCO Q. 1.4</p> <p>Q.1.1 What <b>European regions</b> are from a scientific view most appropriate for <b>territorial cooperation</b> a) transnationally, b) interregionally, c) across borders, and why (taking into account that cooperation requires equity in opportunities)?</p> <p>Q.1.2 Where would a joint performance of regions across different territories and/or across internal/external and/or maritime borders facilitate increasing the combined <b>competitiveness</b> by <b>performing together</b>? Could such cooperation arrangements also contribute to more European cohesion and to better European competitiveness in the world?</p>	<p style="text-align: center;"><b>IDI Questionnaire (Interim Report, p. 107)</b></p> <p>➔ Questions on <b>new areas for territorial cooperation</b> were explicitly raised mainly in the IDI Section <b>1 Physical areas of territorial cooperation</b> and one question from section 3 of the IDI.</p> <p>Q.1.5 Do you see potential for <b>TTC to expand geographically</b> in your area? If so, please elaborate.</p> <p>Q.1.6 Do you see potential for <b>TTC to involve new partners in your area</b>? If so, please elaborate.</p> <p>Q.1.2 Based on your experience, which type of joint actions best increase the <b>competitiveness</b> of the cooperating regions/areas? Why does this happen?</p> <p>Q.1.3 Does TTC improve <b>or intensify working relations</b> between actors and organisations within the area (e.g. between regional/local and central government, NGOs and the public, etc.)?</p> <p>Q.3.4 What conditions must be satisfied for TTC to increase the <b>competitiveness</b> of</p>

<p>Q.1.3 How could <b>physical barriers</b> like maritime borders be overcome to enable cooperation?</p>	<p>cooperating regions?</p> <p>Q.1.4 How could <b>physical barriers</b> such as coastal/maritime borders, mountains, etc. be overcome to enable cooperation?</p>
<p><b>2. Identification of domains for cooperation</b></p> <p><b>MATCHING:</b></p> <p>PS Q2.1 ---&gt;TERCO Q2.2 Q2.3, Q.2.6</p> <p>PS Q2.2 ---&gt;TERCO Q.2.4</p> <p>PS Q2.3 ---&gt;TERCO Q.2.5</p> <p>Q.2.1 Which <b>domains</b> are most appropriately addressed in the identified territorial cooperation areas?</p> <p>Q.2.2 For which domains <b>synergies</b> can be created and/or better exploited? What are the benefits for the EU as a whole, deriving from such synergies?</p> <p>Q.2.3 Should <b>infrastructure</b> investments play a role in this respect (in old and/or new EU Member States)?</p>	<p>→ The questions on domains of cooperation are all covered in IDI section <b>2 Driving forces and domains of cooperation</b></p> <p>Q.2.2 In your opinion, in which <b>domains</b><sup>1</sup> are the cooperation efforts most developed in this area?</p> <p>Q.2.3 Are any types of cooperation better adapted to specific <b>domains</b> (e.g. economic, social, cultural) or towards addressing specific issues?</p> <p>Q.2.6 Do you see potential for TTC to develop a new focus/direction or new <b>domains</b> of cooperation in your area? If so, please elaborate.</p> <p>Q.2.4 Can any <b>synergies</b> be created among the domains supported by TTC in this area? If so, please elaborate.</p> <p>Q.2.5 Should <b>infrastructure</b> be supported under transnational territorial cooperation schemes? If so, why, and which particular type of investments?</p>

<sup>1</sup> Examples of domains: economy, natural environment, culture, education, social infrastructure, roads, other physical infrastructure, health, tourism, and joint spatial planning.



<p><b>3. Identification of adequate territorial structures for cooperation and analysis of specific border situations</b></p> <p><b>MATCHING:</b>  PS Q.3.1 ---&gt; TERCO Q.3.1  PS. Q.3.2 ---&gt; TERCO Q.3.2, Q3.3, Q.3.6</p> <p>Q3.1 What <b>territorial structures</b> (e.g. river and maritime basins, Euro-corridors, urban areas) and typologies can be recognised as suitable areas for cooperation and which strengths, weaknesses, potentials and challenges do they share?</p> <p>Q3.2 What are the specific development <b>opportunities along external EU</b> land and maritime borders (incl. demographic development, accessibility, SMESTOs, etc.) that could provide a strategic basis for cooperation arrangements? In this respect, the EU's Western external borders should be looked at, too, due to the existing strong functional ties with North and Latin America.</p>	<p>➔ Questions related to territorial structures are in IDI section on <b>3 Territorial structures and specific border cooperation</b></p> <p>Q.3.1 What <b>territorial structures</b> (e.g. river and maritime basins, Euro-corridors, urban areas) are most desirable for TTC? Please explain why.</p> <p>Q.3.2 What are the main opportunities for your area from <b>cooperation with non-EU regions/countries</b>? Please give specific examples for various partners/regions/countries.</p> <p>Q.3.3 Has TTC improved <b>'external' relations with your neighbour</b> region/country? Please explain how for each region/country separately.</p> <p>Q.3.6 Based on your experience, what are the main challenges involved in TTC across <b>external EU borders</b>?</p>
<p><b>4. Identification of driving forces and governance structures for cooperation</b></p> <p><b>MATCHING:</b>  PS Q.4.1 ----&gt; TERCO Q.2.1  PS Q.4.2 ----&gt; TERCO Q.3.5  PS Q.4.3 ----&gt; TERCO Q.4.2, Q.4.5, Q.4.4  PS Q.4.4 ----&gt; TERCO Q.4.3,  PS Q.4.5 ----&gt; TERCO Q.4.6, Q4.7</p> <p>Q4.1 What are the <b>driving forces behind</b> and the <b>determinants</b> of cooperation?</p> <p>Q4.2 What kind of <b>investments might be needed</b> to facilitate territorial</p>	<p>➔ The governance structure is addressed in IDI Section <b>4 Governance structures and implementation of cooperation</b></p> <p>Q.2.1 <b>Why is your organisation involved in TTC? What facilitates and what hinders</b> TTC in this area?</p> <p>Q.3.5 What kind of <b>investments might be</b></p>

<p>cooperation?</p> <p>Q4.3 Which <b>legal instruments</b> and <b>governance structures</b> are in place in different cooperation areas? Are specific legal instruments and governance structures more appropriate for territorial cooperation than others?</p> <p>Q4.4 What roles do <b>institutional framework</b> conditions like national laws, regulations, etc. play in cooperation? How can potential institutional difficulties be overcome?</p> <p>Q4.5 Can “models of cooperation” be derived that <b>work in practice</b>?</p>	<p><b>needed</b> to facilitate TTCs?</p> <p>Q.4.2 Which legal instruments are in place to facilitate TTC?</p> <p>Q.4.5 Please describe the features of <b>TTC governance structures</b> that, according to you, work best: centrally vs locally driven, highly institutionalized vs loosely organized, closely regulated/managed vs open/flexible, narrow involvement of stakeholders or broad partnership, etc.</p> <p>Q.4.4 What are the main institutional <b>difficulties related to TTC</b> (if any) and <b>how can they be overcome</b>?</p> <p>Q.4.3 To what extent do the <b>institutional framework</b> conditions (national laws, regulations, etc.) play a role in cooperation, as distinct from the usual (formal and informal) practices?</p> <p>Q.4.6 Based on your experience, can you highlight examples of ‘<b>good practice</b>’<sup>2</sup> in the management and implementation of TTC (i) in your own area and (ii) in other areas? Please elaborate/explain.</p> <p>Q.4.7 Do you see potential for TTC to involve <b>new methods and strategy</b> in your area? What would be of greatest help for future TTC? Please elaborate.</p>
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The questions raised in Project Specification will be also addressed by SEM model (Figure 2-1 in IR, p. 23) based on electronic questionnaires (Annex 6.1). For example, the domains of cooperation are analysed based on CAWI (IR, Annex 6.1) as shown in Figure 1. Hence, identification of adequate domains of cooperation will depend on which cooperation types (from Twinning Cities to Transcontinental cooperation) worked the best in the analysed regions. Then this information is crossed further with other variables in SEM model (IR Figure 2-1, p. 23).

<sup>2</sup> Good practice is defined as an initiative (including methods, processes, activities, techniques, etc.) that has already proved successful and which has the potential to be transferred to a different geographical area.

**Figure 1 Example of questions on domains in standardized electronic questionnaires (CAWI)**

**Domains**

**If a given domain is important (i.e. really contributes to the development of your area) please assess to what extent:**

(1= to very low extent, 2= to low extent, 3= to medium extent, 4= to high extent, 5= to very high extent)

Domains	Twinning Cities <sup>?</sup>	INTERREG A <sup>?</sup>	INTERREG B <sup>?</sup>	INTERREG C <sup>?</sup>	Transcontinental <sup>?</sup>
Economy	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Natural environment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cultural events	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Educational exchange (pupils, students)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Social infrastructure (e.g. schools, hospitals, pension houses)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Roads	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other physical Infrastructure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Risk prevention	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Tourism	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Joint spatial (physical) planning	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other (please specify)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Besides, quantitative network analysis crossed with socio-economic indicators for all NTUS2 regions in ESPON area will allow to answer some of the questions by creating typologies (they are discussed in the next section of this Annex). All in all, the questions from Project Specification are addressed in TERCO by incorporating them into the project scientific tools so they will be addressed once all the analyses are carried out. At the stage of the Interim Report no field studies were carried out and only first results of quantitative analyses were done, hence the questions from the Project Specification were not directly addressed yet.

### 3. Addressing policy questions by the TERCO project

Research carried out in the project will contribute to answering all policy questions raised in the Project Specification. The answers are based on various methods applied as explained below.

POLICY QUESTION
Q1. Are existing territorial cooperation areas still adequate to meet current challenges of territorial development (e.g. global competitiveness, cohesion, climate change, demographic change), and if not, why is that so?

Based on typologies of cooperation correlated with various indicators of development we will show links between cooperation and economic development (measured by GDP percentage change), cohesion (measured by changes in GDP per capita related to national average and to EU average), demography (measured by population density, population change, migration balance and old age dependency ratio).

Besides, we discuss more specifically the influence of cooperation on competitiveness in our IDIs. We asked for example:

Q1.3 Based on your experience, which type of joint actions best increase the competitiveness of the co-operating regions/areas? Why is this so?

In CAWI, we asked about the impact of cooperation on economic growth, job creation and service provision. They are indicators of global competitiveness (e.g. Agenda 2020 says that the growth has to be smart and inclusive which means that there should be an increase in jobs and job participation, which should result in economic growth). So we check if cooperation contributes to it. There is also a question on ITC impact on quality of environment (global or local) and quality of life in general. If both are positive it means that the economy is meeting important current challenges and cooperation contributes to it.

#### Impact

**If there is an impact of International Territorial Co-operation on your area, please indicate in which theme and at what level:**  
(1=minimal impact, 2=small impact 3=moderate impact, 4=large impact, 5=very substantial impact)

Themes	Twinning Cities <sup>?</sup>	INTERREG A <sup>?</sup>	INTERREG B <sup>?</sup>	INTERREG C <sup>?</sup>	Transcontinental <sup>?</sup>
Economic growth	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Job creation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Quality of life	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Quality of natural environment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Service provision	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Besides, we asked in CAWI also about influence of cooperation on different flows, which are related to competitiveness e.g. international trade, FDI, peoples mobility and migration, etc. (see below)

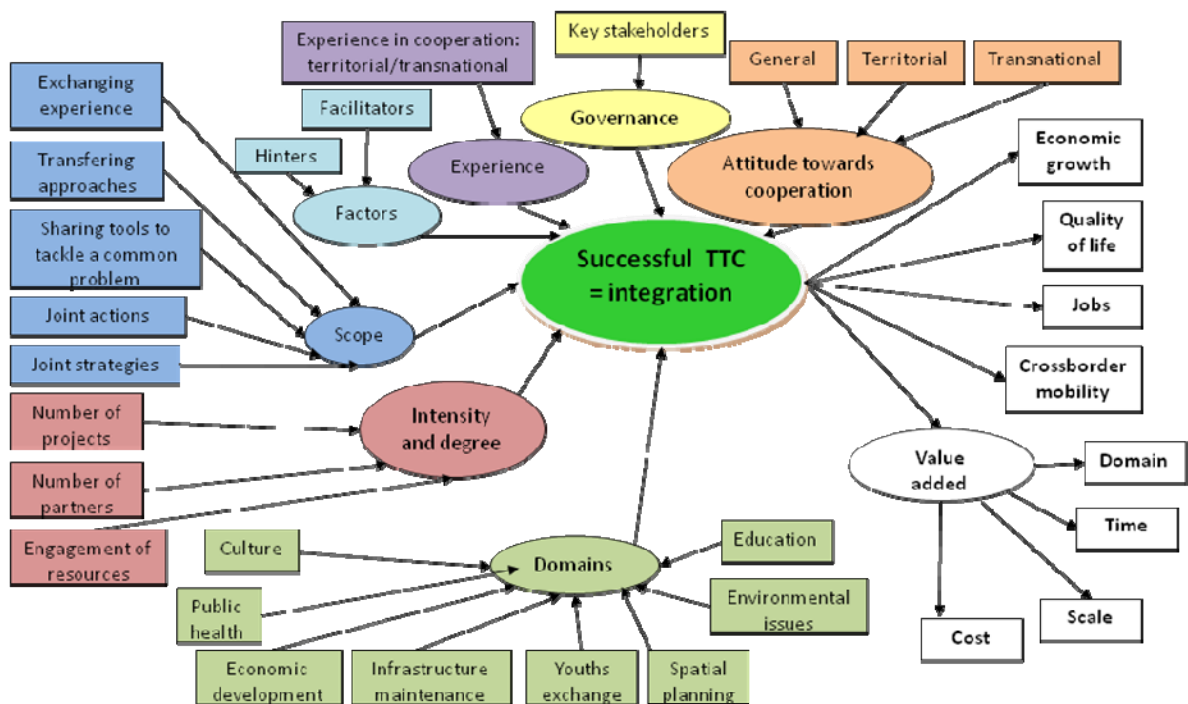
**In relation to the following flows/exchanges, please indicate how you perceive the impact of International Territorial Co-operation on your area:** (1=minimal impact, 2=small impact 3=moderate impact, 4=large impact, 5=very substantial impact)

Flows/Exchanges	Twinning Cities <sup>?</sup>	INTERREG A <sup>?</sup>	INTERREG B <sup>?</sup>	INTERREG C <sup>?</sup>	Transcontinental <sup>?</sup>
International trade	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign direct investment (FDI)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Commuting for work	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Tourism	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Social commuting (e.g. visits to friends, shopping, etc)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Migration	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Educational exchange (students, pupils)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other (please specify)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## POLICY QUESTION

Q2. What could be more meaningful new cooperation areas throughout Europe on transnational, interregional as well as cross-border (internal and external) level? Is it possible to facilitate more European strategies such as the Baltic Sea Strategy by means of territorial cooperation and cohesion?

This question is very difficult and the answer depends on the definition of "meaningful areas". If we mean areas which have the highest chance for successful cooperation (i.e. increasing their competitiveness through cooperation, etc.) then our project should provide a good characteristics of preconditions for successful cooperation, which should come out from the SEM model. Its core exploratory value is due to showing importance of various factors for successful cooperation, as depicted below, where successful cooperation means cooperation resulting in socio-economic development (as measured by right-hand side indicators).



Besides, we ask in standardised IDIs about the types of territories which require special attention (as below) and our case studies cover a range of different borders as well (maritime borders, mountain borders, cooperation between regions lacking road infrastructure, etc.)

3.1 What territorial structures (e.g. river and maritime basins, Euro-corridors, urban areas) in your area should be supported by **International Territorial Co-operation**? Please give examples.

1.4 How could physical barriers such as coastal/maritime borders, mountains, rivers etc. be overcome to enable co-operation?

Once the key success factors are defined and most desirable territorial structures identified we can see which geographical areas in Europe (and beyond) suit those characteristics. On the other hand, one can argue, that for some domains and types of ITC new areas of cooperation may be established without prior policy intervention/definition. Region, cooperating according to their best interests may 'define' new areas of cooperation themselves. Those kind of issues are discussed during our interviews. In our standardised IDIs, we also specifically ask question:

- 1.5 Do you see the need for **International Territorial Co-operation** to expand geographically in your area? If so, please elaborate.

Last but not least, typologies of cooperation will show the hubs of cooperation (their territories, partners, numbers of projects) in Europe and natural links, which were not restricted geographically in case of Interreg C and twinning cities.

POLICY QUESTION
Q4. What would be the right scale for territorial cooperation? Which themes are appropriately dealt with in territorial cooperation and on which scale?

Domains of cooperation by ITC types are addressed in TERCO by several methods. First, it is extensively examined in CAWI (as exemplified below) both in relation to current situation as well as in the future prospects:

#### Domains

**If a given domain is important (i.e. really contributes to the development of your area) please assess to what extent:**  
(1= to very low extent, 2= to low extent, 3= to medium extent, 4= to high extent, 5= to very high extent)

Domains	Twinning Cities <sup>?</sup>	INTERREG A <sup>?</sup>	INTERREG B <sup>?</sup>	INTERREG C <sup>?</sup>	Transcontinental <sup>?</sup>
Economy	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Natural environment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cultural events	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Educational exchange (pupils, students)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Social infrastructure (e.g. schools, hospitals, pension houses)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Roads	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other physical Infrastructure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Risk prevention	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Tourism	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Joint spatial (physical) planning	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other (please specify)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## Future Prospects

For each type of International Territorial Co-operation (each column) please indicate 3 domains which are the most important for the future development of your area

Domains	Twinning Cities <sup>(?)</sup>	INTERREG A <sup>(?)</sup>	INTERREG B <sup>(?)</sup>	INTERREG C <sup>(?)</sup>	Transcontinental <sup>(?)</sup>
Economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social infrastructure (e.g. schools, hospitals, retirement/care homes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cultural events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educational exchange (pupils, students)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical infrastructure (e.g. roads, sanitation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk prevention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint spatial (physical) planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, which? <input style="width: 100%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Second, standardised IDIs also extensively explore the subject, by asking the following types of questions:

- 2.2 In your opinion, in which domains<sup>3</sup> are the co-operation efforts most developed in this region?
- 2.3 Which types of co-operation are better for specific domains (e.g. economic, social, cultural) or for addressing specific issues/problems?
- 2.4 How can synergies be created among the domains or actors by **International Territorial Co-operation** projects (In other words, how can one project strengthen the results of another project)? Please give an example.

### POLICY QUESTIONS

Q5. What are favourable framework conditions and good governance models (at different scales) for territorial cooperation to be realised and to succeed? How can such cooperation be supported by policy makers?

Q6. What are existing governance experiences (both, positive and negative) in territorial cooperation in Europe and what can be learnt from them?

Q7. Can cases of best practices be translated to and applied in other (potential) cooperation areas?

Our project puts special attention to governance issues which are analysed through additional case studies (selected according to criteria which will be presented in the Draft Final Report). They are: Central Baltic Programme (Fig.1), Belgium (Flanders) /Netherlands (Fig. 2), Slovenia and Austria (Fig. 3), Czech and Slovak Republic (Fig. 4), North Sea Programme (Fig.5) plus 3 EGTC case studies.

<sup>3</sup> Examples of domains: economy, natural environment, culture, education, social infrastructure, roads, other physical infrastructure, health, tourism, and joint spatial planning.

Fig1.

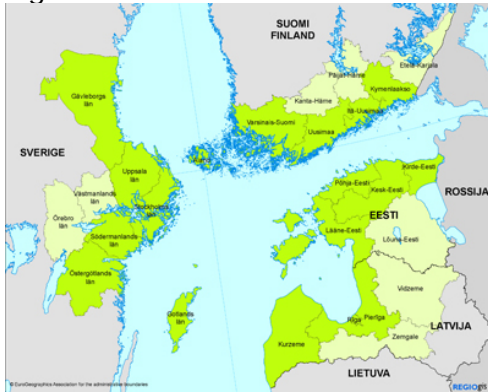


Fig.2



Fig.3



Fig.4



Fig. 5



The questionnaires cover the large spectrum of issues related to governance, for example:

**Context of cooperation**

- Who is responsible for initiating and mobilising ITC?
- Who is responsible for delivering ITC?
- What types partnerships and networks does ITC promote?
  - Broad – narrow; public – private

**Drivers and barriers**

- What are the barriers and facilitators to ITC?
- What specific administrative barriers are important?



- How do past experiences/historical links matter?

**Management and Implementation of the Programme**

- Which spatial levels of government (central, regional and local government) are responsible for ITC?
- Who is responsible for strategic management of the programme and which processes are followed?
- Who is responsible for the implementation and administration of the programme?
- What project generation and implementation processes are used
- What levels of monitoring takes place?

**The future of ITC/ Lessons learned**

- How do new forms of ITC (EGTC, Macro regions) impact current arrangements?
- What activities in terms of exchange and coordination of different ITC programmes takes place?

As for applicability of the best practices to the potential new cooperation areas, the project can do this by specifying set of conditions ('models of governance') which give the best chances for successful cooperation as well as day-to-day practices which worked elsewhere. Depending on how difficult and place-specific will be those conditions, we will be able to access whether they can or not be applied to 'new' cooperation areas.

POLICY QUESTIONS
Q8. Should cooperation programmes include <b>infrastructure</b> investments?
Q9. What kind of infrastructure is needed where to enable fruitful cooperation arrangements?
Q10. Is a different approach required in this respect regarding old and new EU Member States?"

Questions on infrastructure are addressed by several TERCO methods and they are related both to current situation as well as to the future. First, in CAWI there are three relevant questions as shown below:

Please indicate the types of joint international infrastructure investments in which your organisation was involved:

Types	Twinning Cities (?)	INTERREG A (?)	INTERREG B (?)	INTERREG C (?)	Transcontinental (?)
Roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Railways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wastewater management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hospitals and medical facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cultural facilities (theatres, concert halls etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In your opinion, should infrastructure investment be a theme of International Territorial Co-operation?

- Yes
- No

Within which type of International Territorial Co-operation should it occur?

- Twinning Cities
- INTERREG A
- INTERREG B
- INTERREG C
- Transcontinental

## Future Prospects

For each type of International Territorial Co-operation (each column) please indicate 3 domains which are the most important for the future development of your area

Domains	Twining Cities (?)	INTERREG A (?)	INTERREG B (?)	INTERREG C (?)	Transcontinental (?)
Economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social infrastructure (e.g. schools, hospitals, retirement/care homes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cultural events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educational exchange (nuns, students)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domains	Twining Cities (?)	INTERREG A (?)	INTERREG B (?)	INTERREG C (?)	Transcontinental (?)
Physical infrastructure (e.g. roads, sanitation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Hence, we ask about most appropriate forms of investments in the future by ITC types, and we mean not only physical infrastructure but also social infrastructure.

Second, we discussed this issue within our IDIs, e.g.:

2.5 Should support for infrastructure be supported in the future within **International Territorial Co-operation** programmes (not only INTERREGs)? If so, why, and in which particular type of investments?

In our typologies, we analyse also correlation between cooperation and physical accessibility, measured among other by number of passengers at the airport, etc.

It is worth stressing that we analyse cooperation between all combinations of Members States: New-New (e.g. Poland-Slovakia), New-Old (e.g. Poland-Germany), Old-Old (e.g. Belgium-France) so we will provide answers on infrastructure for all those types of cooperation from all 19 countries we analyse. Hence we will be able to assess which types of cooperation (according to partners and ITCs) still require infrastructure investments (if any) and what type. Besides we study borders which have well developed infrastructure (France/Belgium) as well as those which have very limited infrastructure (Greece/Bulgaria). Special cases are also those which require specific infrastructure (maritime border of UK/Norway) and EU external borders (with Russia, Ukraine, North Africa, South America, Norway/Sweden). All those types will bring different perspective on the issue of appropriate infrastructural investment types.

## 4. Development of the ESPON-wide typologies

### 4.1 Country coverage

Indeed we had problems with finding data for some non-EU countries (e.g. Norway and Switzerland) but the efforts are taken now to collect those missing statistics and also ESPON 2013 database is more handy in that respect. So we should be able to cover all countries participating in ESPON by the time of delivery of (Draft) Final Report.

### 4.2 Types of cooperation beyond INTERREGs

Typologies do go beyond INTERREGs and project collects information on other types of cooperation. First, it builds a genuine database on

**cooperation of Twinning Cities** which was never created before. Second, it creates a database on **transcontinental cooperation**. Third, in CAWI questionnaire we ask not only about Twinning Cities, and Transcontinental Cooperation but also about **other types of cooperation**– see Figure 2. Besides our In-depth interviews do not even mention word INTERREG and they allow respondents to talk about any type of territorial cooperation they find important.

**Figure 2 Example of question in CAWI including other types of cooperation**

**General Information about Co-operation**

Does your organisation have any experience in International Territorial Co-operation projects? *Answer to this question is compulsory*

- Yes (e.g. Interreg A, B, C, Twinning Cities, Transcontinental co-operation, EGTC, TACIS, ENPI, etc.)
- No

Please indicate the types of co-operation with which your organisation/authority has been involved. Please also specify the number of projects or agreements.

International Territorial Co-operation Type			Number of projects since 2007		
INTERREG A <sup>?</sup>	<input type="radio"/> Yes	<input type="radio"/> No			
INTERREG B <sup>?</sup>	<input type="radio"/> Yes	<input type="radio"/> No			
INTERREG C <sup>?</sup>	<input type="radio"/> Yes	<input type="radio"/> No			
			Number of current agreements with foreign partners (cities)		
Transcontinental <sup>?</sup> (any agreements with partners located on other continents)	<input type="radio"/> Yes	<input type="radio"/> No			
Twinning Cities <sup>?</sup>	<input type="radio"/> Yes	<input type="radio"/> No			
Other (please specify) <input type="text"/>					

**4.3 Typologies of Transnational Territorial Co-operation**

The first “Typologies of TTC” will not be limited to the case studies only, because they are based on Network Analyses applied to : 1) Twinning Cities (in the entire Europe) and 2) INTERREG programs. One example of such typology is clustering all INTERREG C programs into 4 groups depending on a degree and intensity of cooperation (as in Table 2-6 of IR, p. 56.):

- NUTS2 regions with high degree and high intensity of cooperation
- NUTS 2 regions with high degree but low intensity of cooperation
- NUTS2 regions with low degree and low intensity of cooperation
- NUTS2 regions with low degree but high intensity of cooperation

Intensity and degree of cooperation were defined in IR p. 53 as follows:

The **intensity of cooperation** is measured through a network type of analysis by the number of common projects between the partners - (the greater the number of projects the higher the intensity of cooperation of the region). It has to be mentioned that ‘intensity’ measured in this way does not determine the scope of cooperation (as defined in Colomb, 2007). In other words, the cooperation can be very intensive (involving many projects), but its scope can be limited to, for example, only exchanging of experience.

The **degree of cooperation** is measured in through a network approach by the number of regions cooperating with each other. A region becomes

a large node if it cooperates with many regions and is considered to have a high level of cooperation. Again, it has to be stressed that 'degree of cooperation' does not necessarily solely determine the intensity of cooperation, e.g. the degree of cooperation may be high, but its intensity low or high.

#### **4.4 Typology of development driven by ITC**

Typology of development driven by International Territorial Co-operation is also going beyond Case Studies, as it crosses the data on cooperation from Network Analysis with indicators of regional development (relying on data from EUROSTAT, ESPON, etc.). Hence all NUTS2 regions in ESPON area will be covered. The typology crosses, on one hand, the information on degree and intensity of cooperation (at NUTS2 level) with indicators of regional development on the other hand. The list of calculated socio-economic indicators at NUTS2 level which will be crossed out with indicators from Network Analyses is as follows:

1. Population and demography
  - a. Population density
  - b. Population change
  - c. Natural increase
  - d. Migration balance
  - e. Old age dependency ration
2. Economic development
  - a. GDP per capita
    - i. absolute
    - ii. related to national average
    - iii. pps in relation to EU average
  - b. GDP change
    - i. real [%]
    - ii. in pps change in relation to EU average [pp]
3. Structure of economy
  - a. GVA agriculture
  - b. GVA industry
  - c. GVA construction
  - d. GVA simple services
  - e. GVA business services
  - f. GVA nom-market services
4. Labour market and human resources
  - a. Employment rate
  - b. Unemployment rate
  - c. People with tertiary education
5. Tourism potential

- a. Nights spent by tourist in hotels and campsites
  - b. Share of foreign tourist in total nights
6. Administrative structures and governance
- a. Number of municipalities
  - b. Average population of municipality
  - c. Public revenues of local governments [share and EUR per capita]
  - d. Local governments tax revenues [share and EUR per capita]
  - e. Local government outlays on general public services [share and EUR per capita]
7. Accessibility
- a. Distance to European centre
  - b. Distance to national capital
  - c. Number of passenger at the airport
8. Language
- a. Foreign languages in high schools
  - b. Knowledge on international languages [adults declarations]

The typology will show for example whether intensively cooperating regions are developing better, and if so, in which terms? What are the main driving forces behind it e.g. cultural: language, structural: sectoral composition of the economy, governance/institutions: regional structure of the economy, etc.)

## 5. Content of the (Draft) Final Report

As required by Subsidy Contract (Annex III) our Draft Final Report will consist of three parts: **Executive Summary** (10 pages) communicating the main findings in a form acceptable to a larger audience; **Main Report** (50 pages) with most important analyses, findings and policy messages; and comprehensive **Scientific Report** with full documentation of the literature reviewed, methods used, data collected, maps created, tools and models applied, and guidelines for the future research.

The special focus in this delivery is on **answering the research and policy questions** which will be addressed explicitly in Chapter 4 of the Main Report. Since both types of questions are interrelated, we proposed that the research questions are headings of the main sections of chapter 4 (i.e. 4.1, 4.2, etc.) while the policy questions are more specific subsections within them (i.e. 4.1.1, 4.1.2, etc.). This way we link policy questions with corresponding research questions. Also further research is strengthened in the Final Report (see underlined).

The proposed table of contents for the **Draft Final Report** is as follows:

## **Executive Summary**

- Aims of the research and main findings
- Policy options for future European Territorial Co-operation
- Directions for further research

## **Main Report**

1. Main goals and logic of the research
2. Policy relevance of the project
3. Main results from applied methods:
  - 3.1 Case Studies
  - 3.2 Structural Equation Model for ITC
  - 3.3 Network Analyses
  - 3.4 Typologies
  - 3.5 Models of governance
4. Addressing the research and policy questions
  - 4.1 Territorial potential of different types of cooperation areas
    - 4.1.1 Adequacy of existing territorial cooperation areas in meeting current challenges of territorial development
    - 4.1.2 Establishing new cooperation areas throughout Europe by ITC types
    - 4.1.3 Prospects for new European strategies by means of territorial cooperation and cohesion
  - 4.2 Adequate domains for territorial cooperation
    - 4.2.2 The right scales and themes for territorial cooperation by ITC types
    - 4.2.3 Infrastructure investments
  - 4.3 Incentives for boosting territorial cooperation
    - 4.3.2 Favourable framework conditions for successful ITC
  - 4.4 Specific border situations and territorial structures of cooperation
    - 4.4.2 Co-operation with non-EU countries
  - 4.5 Governance structures for cooperation
    - 4.5.2 Models of good governance
    - 4.5.3 Existing governance experience: good and bad practices
    - 4.5.4 Further applicability of good practices and models of governance
5. Discussion of future policy options

- 5.1 How policy makers should support cooperation to make it successful?

## 6. Further extensions of analytical work and research

### **Scientific Report**

1. Theory and practice of International Territorial Co-operation (ITC)
  - 1.1 Review of literature, evaluations and previous ESPON projects
    - 1.1.1 Deriving definitions, approaches, practices
    - 1.1.2 TERCO conceptual approach to ITC
- 2 Methodologies and typologies:
  - 2.1 Description, justification of use and detailed results of each method
- 3 Main outputs of the project
  - 3.1 Data bases
    - 3.1.1 Collected data and indicators
    - 3.1.2 Calculation algorithms
    - 3.1.3 Tables with the exact values of indicators.
  - 3.2 Maps
    - 3.2.1 Maps produced in support of the results, covering the territory of EU 27, Iceland, Liechtenstein, Norway and Switzerland.
  - 3.3 Tools and models
    - 3.3.1 SEM model
    - 3.3.2 Network analysis
    - 3.3.3 Governance models
- 4 Future research
  - 4.1.1 What is missing or underdeveloped

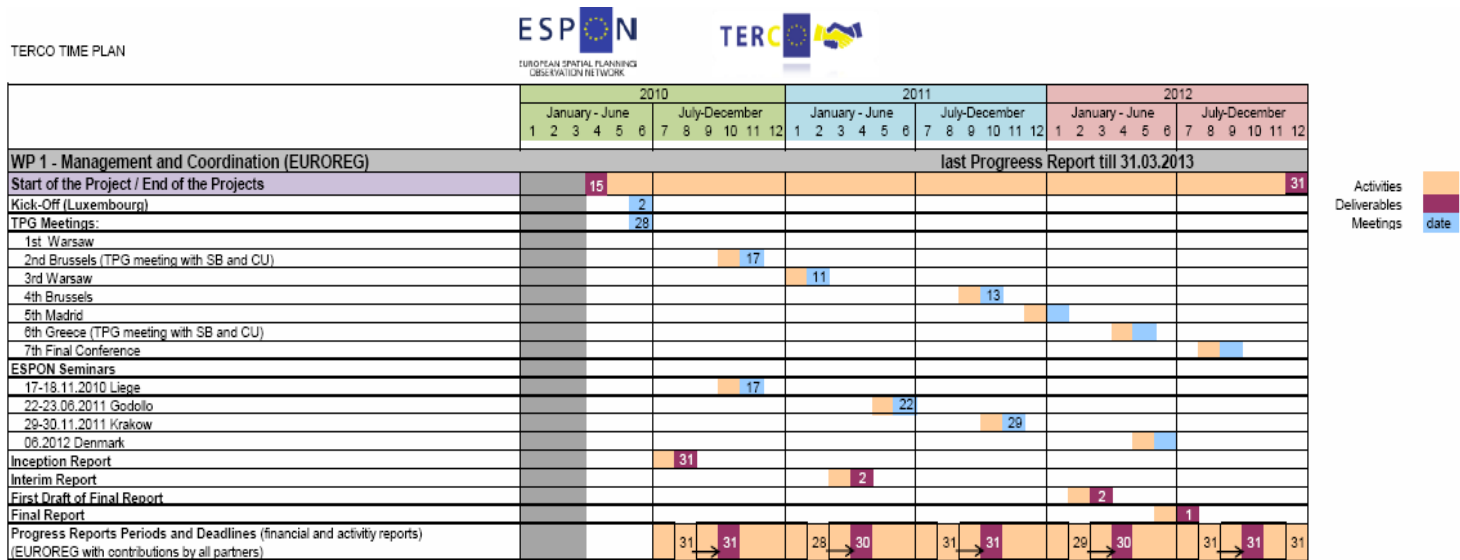
Last but not least, the Draft Final Report will incorporate all recommendations specified in the feed-back to Interim report from CU, Sounding Board and other bodies involved, as well as comments from ESPON seminars.

### **6. Time table updated**

Section 4.1 reflected the work progress only from the former delivery (Interim Report) till the next deliverable (Draft Final Report). That is why it did not include 2<sup>nd</sup> TPG meeting with SB and CU, which is normally after delivering of Draft Final Report. However, now we took account of it and

included the next TPG meeting with CU and SB so in the appropriate section on management and coordination (see Figure 3). We assumed that the 2nd TPG meeting with CU and SB will held in early April or early May (since our Draft Final Report is due to 2nd March) and we propose that it is held in Greece (Athens). We also took account of the next ESPON seminars as they were decided. We plan the participation of all TERCO partners both ESPON Seminars: in Krakow (29-20 November 2011) and in Denmark (June 2012).

**Figure 3 Updated management part of the time table**



## 7. Miscellaneous

### Changed notation:

Following the previous criticism (that our terminology of transnational territorial cooperation (TTC) is confusing because in policy semantics this term is often reserved to Interreg B exclusively) we decided to propose an alternative naming, i.e. "international territorial cooperation (ITC)". First it grasps a wider notion of cooperation, as we intended; second, it is probably better understandable to a wider range of people, since it is in line with a general intuition and a dictionary definition; third, it is no more confusing to policy makers.



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The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

ISBN