

Dear Seminar Organizers and Participants,

It is a great pleasure for me to have an opportunity to share ideas with you on the topic which is always of a continuing relevance. I know it is the case also after the Project BEN will be over. Therefore I believe already now that it will be sad for all of us when it will be finished. Moreover, it is obvious that we always will face the need of close and effective cooperation implementing regional policy at both national and international level.

The benefit of international cooperation and its peculiarities is one of the most discussed issues not only in the Baltic Sea region, but also in the whole world. The process of European enlargement provokes situations when we are at the cross boards of decision making.

On the one hand, European regional policy encourages solidarity, strikes to diminish differences between various regions' development and human prosperity levels, seeks to develop infrastructure, create workplaces, as well as to implement social and territorial cohesion. At the same time, the process of enlargement determines new challenges and first of all - for the competition and internal cohesion. Economical and social differences between the states determine the need for new or just more effective methods to solve various complex tasks.

One of the most important tasks of EU territorial expansion – balanced and harmonious development which determines the need to improve existing and create new legal basis for cooperation activity. This task is also provided in the new Finance Perspective for 2007-2013.

Talking about euroregions as one of examples of an effective cooperation models, it is not enough to define them only as just frontier borders' union ship, which is made of several neighbourhood states' administrations, basing their activity on good neighbourhood, trust and other principals. In various European Parliament and Council draft regulations which are presently discussed it is provided that while coordinating cooperation activities in frontiers, international and interregional cooperation confront serious difficulties because of national laws' differences. Therefore, seeking to overcome those difficulties it is necessary to adopt certain unified measures at EU level. In different conferences we can often hear that European Council and European Commission should look forward ways to develop legal basis for euro regions' activity. We all are involved into the process. This legal basis would be one of tools to overcome obstacles for territorial cooperation. It will be even more important in the future as EU expanding and social-economic differences may become deeper.

Plans of EU institutions for the new Finance Perspective 2007-2013 are related to improvement of euroregions' activity, defines new dimension for territorial cooperation. One of the most topical instruments of cohesion politics might be new regulation which would create a non binding system for

member states and regions enabling them to create institutions for international cooperation. Seeking to implement international cooperation programs and following convention signed by participating national, regional, local and other state institutions, for newly established institutions it will be provided status of legal persons. On the one hand, this might be designated as a drastic step forward. However, in numerous meetings some member states expressed their arguments that a possibility to establish such legal persons does not comply with their national constitutions; some of them do not consider this establishment necessary at all. Some of them doubt the idea that the regulation will be not binding, as generally these EU legal instruments are applied directly in the member states and are actually binding. It was not clear enough how EU member state signing the convention would undertake supplementary financial obligations in case of unsuccessful financial activity. It is also arguable that local and regional institutions would not have a legal possibility to transfer their functions to EGTC (European Grouping of Territorial Co-operation). There are also other issues to be discussed.

However, for infrastructure projects concentrated efforts of EU member states are needed. One of the results of these concentrated efforts might be named EGTC. The EGTC might also be used as: supplier of applications for support; as authorized intermediate institution to administer received support; as assets' administrator of large international projects, etc. It is expected that this regulation will be approved in July this year.

I suppose these newly created structures with definite legal status could become an important measure of international cooperation. The basis of their activity would be presently existing activities of euro regions and therefore could be one of the most successful instruments of regional policy implementation, as well as:

- centre of information and services;
- the main centre of common values, aims and strategies;
- may be even a driving force for solving international problems.

You could ask why exactly euroregions are the most suitable for this activity. I would answer that namely representatives of local authorities are those that are the best acknowledged with region dynamism and therefore, can best contribute to enactment of cohesion policy. Regional Committee of EU also agrees with this idea. It's position is that „growth of partnership and employment“ could be realized more effectively if the „bottom up“ principal would be applied. Unified action of regions and local institutions is the basis for environment which is favourable for economic grow.

We are also familiar with this principal ourselves. As it is known from our seminars (for example in Vyborg) and practice, representatives of local authorities provide suggestions and proposals to the central government on successful implementation of regional policy.

Situation of euroregions in Lithuania

Lithuania tries to participate actively in the development of euroregional cooperation. By 1997 local authorities started to organize into euroregions. So today we have 6 euroregions in Lithuania and 42 local authorities belong to them. This is more than two-thirds of existing local authorities in our country. This covers quite a big part of local institutions and residents at a frontier of Lithuania. Therefore, implementing aims of regional policy, importance of euro regional activity is also appreciated.

If to look just formally following Law of the Republic of Lithuania on State Frontier Border frontier border is considered to be just an area of 5 meters. However, if to evaluate it in more practical-functional way we may see or think that the area of frontier border related with functional connections may be much more extensive.

Ministry of Interior of the Republic of Lithuania is one of institutions implementing regional policy. We positively assess euroregional activity and we are directly involved in its coordination since 2002, when the measure on Regions' development program has been approved by the Government. The essence of which is „to maintain international cooperation in the field of regional development“. As a result it is paid members' fees of euroregions functioning in Lithuania for their membership in Association of European Border Regions', conferences dedicated to Lithuanian euroregions international cooperation development, as well as seminars, studies and trainings are organized. Publications representing euroregions are published. This becomes a yearly tradition.

Implementing tasks of frontier cooperation, euro regions in Lithuania mostly use possibilities provided by INTERREG and PHARE CBC programs. Following Governmental resolution No. 356 „On Initiative of European Community program INTERREG III administration in Lithuania" the Ministry of Interior was assigned to implement functions of supervisory institution for programme „Phare CBC". Following INTERREG initiative, which will seek that countries' borders would not become obstacle for balanced, long term EU development and integration and that unrestricted social-economic cohesion would be encouraged, representatives of euro regions are the most active in providing applications. The evidence for this that after the second invitation to submit projects for neighbourhood INTERREG IIIA programs, in approved programs 70 Lithuanian partners have participated.

As it was mentioned before, the second program is PHARE Cross Border Cooperation. The main purpose of this programme is to encourage cooperation of neighbourhood states' regions and at the same time to solve environmental, communication, economic development, cultural and historic heritage retention problems, as well as issues of the most appropriate use of natural resources and other issues. According to this program there is a considerable part of projects such as study "Opportunities for Lithuanian-Polish frontier zone infrastructure development" (NEMUNAS), „Information centre for tourism" (ŠEŠUPĖ), etc.

Recommendations

At the end of my speech I would like to emphasize that priority measures in euroregions are regarded those that encourage their integrity.

Looking forward for more effective realization of euroregions work and projects, before implementation of any frontier cooperation program, firstly:

- it is purposeful to determine existing problems, related to frontier borders and functional frontier deepness; exactly this zone might be very useful for frontier cooperation development;
- it is necessary to define goals, priorities and measures or means and to choose appropriate, common **strategy in which might be considered** such issues as a raise of added value of the programme, expansion of influence to concrete region and cooperation development;
- also before implementing each project it is necessary to **prepare analysis** about situation in region and to elaborate assessment criteria, it is also very important not to forget critical assessment while preparing the analysis;
- seeking to promote connections an important direction towards it is an **expansion of frontier borders investment attraction**. Declaration about euroregion creation itself, propagation of common positive “neighbourly” activity, as a rule, enlarges attraction for investments;
- another important direction - **human resources’ development**. And not only building economic knowledge, but also implementation of common training and education programs, for human initiative, innovations, all this gives possibility to appear qualified labour force in euroregion. As an example Euro university complex might be mentioned; this one functions at Poland and Germany frontier in euro region Nysa and in neighbourhood cities of Frankfurt and Slubic. In this region common program of professional studies is also developed;
- extremely important condition for improvement of euroregions activity is **development of information environment**. This is information exchange organized by euroregions’ institutions between frontier borders services, creation of information network for business environment, etc. Namely in euroregions close cooperation of neighbouring counties’ labour exchanges, tax offices, statistical services is possible. For example, transnational business data basis is created and function. In frontier borders of Germany and Poland “tele-home” (communication center) network is developed (especially in less populated areas).

- intensification of tourism and recreation potential in frontier regions creates preconditions to stabilize also other economy branches, stimulates ecology, rational consumption of resources, and at the same time determines better social and nature environment for local inhabitants.

- **implementation of road infrastructure projects** will improve communication between frontier towns and settlements – which are traditionally considered as local attraction centers.

Yet euroregions as institutions not only directly support economical development, but also influence business environment. Maybe this is one of reasons why in conditions of Middle and Eastern Europe the majority of economic improvement measures are considered as secondary. This is related to the fact that mostly common euroregions' finances are used. Euroregions themselves are the part of Europe and usually dispose conditionally miserable resources which mostly comprise of members' contributions or assistance of national governments only. One of the most important measures which is favourable for economic development in frontiers is communication development with which inherited barrier frontiers experience could be weakened. In this way not only political preconditions, but also real conditions for more free movement and more effective exchange appear.

According to the model of Lithuanian euroregions' cooperation it should be noted that the most effective activity is when initiative to create and develop frontier regions between neighbourhood countries depends not only on central authority institutions, but also on independent initiative of local authorities. When there is a possibility to differentiate euroregions' activity problematic. And therefore, as considerable part of decisions in management, administration and finance field might be made independently. This might also serve for minimisation of bureaucratic procedures. As one of European railway project „Rail Baltica“ director says „the most difficult is not to build rails of hundred meters, but – to agree with its own ministers, experts and other actors.“

Attempting to create ideal social-economic model of whole Europe we all are on way of realising ambitious goals of Lisbon, Goteburg, Northern dimension and others. I believe that for euroregions and other institutions that have chosen those goals as guiding leaders this way will not be very easy. However, the result will lead to strategic partnership from just good neighbourhood and solidarity.

Thank you for your attention!