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## **Evolution of the EU cohesion policy towards border regions**

### **Abstract**

The EU cohesion policy is directed primarily at supporting the regions which are peripheral in the socioeconomic sense. Since 1991 – when INTERREG programme was established on the basis of the European Regional Development Fund – the cohesion policy has also included support for border areas and regional networks, mainly through development of cross-border cooperation. In the current financial perspective of the EU, the cross-border, transnational and interregional cooperation is pursued as part of Objective 3 of the cohesion policy, that is the European Territorial Cooperation (ETC). Furthermore, cross-border cooperation with the partner states beyond the external EU border is supported from the funds of the European Neighbourhood and Partnership Instrument. Similar solutions have been adopted for the next programming period 2014-2020 and the European Territorial Cooperation has acquired the status of one of the two objectives of the cohesion policy. The aim of this paper is to analyse the evolution of the EU cohesion policy towards border regions in the years 1990-2013 and to evaluate it on the basis of the Polish experience. The paper also presents the preparations of the Lublin Province (as an example of a border region) for the new perspective of the cohesion policy 2014-2020. A special element of these preparations is the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020, which is the first document of such kind in the EU, compiled for the cross-border area located along the external EU border.

**Keywords:** Cohesion Policy, cross-border cooperation, border regions

## **Introduction**

The cohesion policy of the European Union (EU) is directed primarily at enhancement of the economic, social and territorial cohesion, through reducing disparities in the development levels of the European regions, mainly by supporting the underprivileged areas. It means that the cohesion policy is focused on the regions which are peripheral in the socioeconomic sense, with less emphasis on their actual location. Since 1991 – when INTERREG programme was established on the basis of the European Regional Development Fund – the cohesion policy has also included support for border areas, mainly through development of cross-border cooperation. This creates certain opportunities for counteracting the negative influence of the border on development processes and preventing marginalisation.

The aim of this paper is to analyse the evolution of the EU cohesion policy towards border regions in the years 1989-2013 and to evaluate it on the basis of the Polish experience. Moreover, the paper presents the preparations of the Lublin Province (as an example of a border region) for the new perspective of the cohesion policy 2014-2020. A special element of these preparations is the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020, which is the first document of such kind in the EU, compiled for the cross-border area located along the external EU border.

### **1. Objectives of the cohesion policy and the border regions**

The years 1989-2020 have been a period of evolution and concentration of the EU cohesion policy objectives (Table 1). Implementation of Objective 1 in 1989-1993 took ca. 60% of 57 billion EUR allocated for the EU regional policy. In the following period 1994-1999 it absorbed about 70% of 137 billion EUR (together with Objective 6), and in the subsequent periods respectively: ca. 75% of 183 billion EUR (2000-2006) and ca. 80% of 308 billion EUR (2007-2013). Due to the dominant Objective 1, the EU regional policy is also referred to as the cohesion policy.

Table 1. Objectives of the cohesion policy in 1989-2020.

Programming period:				
1989-1993	1994-1999	2000-2006	2007-2013	2014-2020
Objective 1 (regional): Development and structural adjustment of regions whose development is lagging behind	Objective 1 (regional): Development and structural adjustment of regions whose development is lagging behind	Objective 1 (regional): Development and structural adjustment of regions whose development is lagging behind (former Objectives 1 and 6)	Objective 1 (regional): Convergence	Objective 1 (regional): Investment for growth and jobs
Objective 2 (regional): Conversion of declining industrial regions	Objective 2 (regional): Conversion of declining industrial regions	Objective 2 (regional): Economic and social conversion of areas experiencing structural difficulties (former Objectives 2 and 5b)	Objective 2 (regional): Regional competitiveness and employment	Objective 2 (regional): European territorial cooperation
Objective 3 (horizontal): Combating long-term unemployment and assisting the occupational integration of young people	Objective 3 (horizontal): Combating long-term unemployment and assisting the occupational integration of young people	Objective 3 (horizontal): Support for adaptation and modernisation of the education, training and employment policy	Objective 3 (regional): European territorial cooperation	-
Objective 4 (horizontal): Adaptation of workers to industrial changes and to changes in production	Objective 4 (horizontal): Adaptation of workers to industrial changes and to changes in production	-	-	-

systems	systems			
Objective 5a (horizontal): Acceleration of structural adjustment in agriculture within the Common Agricultural Policy	Objective 5a (horizontal): Acceleration of structural adjustment in agriculture within the Common Agricultural Policy	-	-	-
Objective 5b (regional): Support for development and structural changes in rural areas	Objective 5b (regional): Support for development and structural changes in rural areas	-	-	-
-	Objective 6 (regional): Development and structural adjustment in regions with low population density (below 8 people per 1 km <sup>2</sup> – applies to Finland and Sweden)	-	-	-

Source: Compiled by the authors on the basis of: Irena Pietrzyk, *Polityka regionalna Unii Europejskiej i regiony w państwach członkowskich*, Warszawa 2004 and the Ministry of Regional Development.

Objective 2 is directed at the regions (which in this case means NUTS 3 territorial units) which were previously well-developed but currently experience difficulties connected with a change in development factors, which in consequence reduced their competitiveness. In 1989-1999 this Objective was supplemented with three horizontal Objectives (3, 4, 5a). Since 2000 until 2013 the regional policy Objectives were consolidated by combining Objective 2 with 5a and Objective 3 with 4. Objective 2 (in the years 1989-1999 Objective 2 + Objective 5b) absorbed respectively: ca. 17% of the EU budget for regional policy in 1989-1993 and 1994-1999, about 22% in 2000-2006 and about 16% in 2007-2013. In the years 2007-2013 the new Objective 3 emerged – important from the perspective of the aim of this paper – defined as the European Territorial Cooperation, with a share in the regional policy budget below 3%. Referring to Europe 2020 strategy, only two objectives of the regional policy are planned to be implemented in 2014-2020:

- Objective 1: *Investment for growth and jobs*, financed by the European Regional Development Fund, the European Social Fund and the Cohesion Fund,
- Objective 2: *European Territorial Cooperation* (ETC), financed by the European Regional Development Fund.

This implies further concentration of the EU regional policy objectives. The following areas can benefit from financial support within Objective 1 of the EU cohesion policy in 2014-2020:

- all European regions, which were divided into three categories depending on their GDP per capita in relation to the EU average, that is less developed regions (GDP < 75% of the EU average), transition regions (75% < GDP < 90%) and more developed regions (GDP > 90%),
- Member States whose GNP is at a level below 90% of the EU average.

Objective 2 of the cohesion policy encompasses, as before, border regions and transnational areas.

Depending on the category of a region, the rate of project co-financing varies as follows:

- less developed regions – 85%, 80% or 75%,
- transition regions – 60%,
- more developed regions – 50%,
- borderland and transnational regions – within the ETC – 75%.

According to the budget proposals of the European Commission, the Cohesion Fund – which co-finances projects in these Member States whose GNP is lower than 90% of the EU average – will have a sum of 68.7 billion EUR for 2014-2020. Within the Structural Funds, less developed regions will be supported with a sum of 162.6 billion EUR, transition regions – 39.0 billion EUR, more developed regions – 53.1 billion EUR, and border and transnational regions within the ETC – 11.7 billion EUR.

On the basis of the present discussion, it can be claimed that the EU regional policy is directed primarily at supporting the regions which are peripheral in the socioeconomic sense, with less emphasis on their actual location. Nevertheless, proposals for another programming period of this policy (2014-2020) envisage gradual limitation of the redistribution-egalitarian component in favour of the competition-innovation component.

The regional policy of the EU encompasses also – even though on a much smaller financial scale – support for border regions and regional networks. In 1991 INTERREG programme was established for the first time on the basis of the European Regional Development Fund, within the framework of the so-called Community Initiatives. Its first edition in 1991 – 1993 was aimed at:

- supporting border regions in overcoming their peripheral status,
- development of cross-border cooperation along the internal EU frontiers,
- stimulating cooperation along the external EU frontiers with partners from third countries.

During this period, 31 projects were financed with the total sum of 1082 million EUR.

In 1994-1999, during the second edition of INTERREG programme, 60 projects were implemented for the total sum of 3500 million EUR. The programme was divided into three strands:

- A – supporting the development of cross-border cooperation and overcoming associated problems (43 projects for the sum of 2600 million EUR),
- B – eliminating gaps in trans-European transport and energy networks (3 projects for the sum of 500 million EUR),
- C – creating conditions for the sustainable development of Europe in the area of spatial planning and water management (14 projects for the sum of 400 million EUR).

In 2000-2006 the third edition of the programme (INTERREG III) was implemented. The total amount allocated for its implementation was 4875 million EUR. It consisted of three strands:

- A – local and regional cross-border cooperation,
- B – international cooperation of regional and national authorities of large European regions (e.g. the Baltic Sea region) aimed at sustainable and coordinated spatial development,
- C – interregional cooperation on the European scale, including exchange of information and experience concerning regional development and cohesion policies and techniques.

Within the framework of INTERREG III A the following projects were implemented along Polish borders in 2004-2006:

- three Polish–German programmes: Poland (Lower Silesia Province) – Saxony; Poland (Lubuskie Province) – Brandenburg; Poland (West Pomerania Province) – Mecklenburg Hither Pomerania/Brandenburg,
- Poland – Czech Republic,
- Poland – Slovakia,
- Poland – Lithuania,
- Neighbourhood Programme: Poland – Belarus – Ukraine,

- Neighbourhood Programme: Poland – Lithuania – Russia (Kaliningrad Oblast).

Within the framework of the Community Initiative INTERREG III, the sum of 177 million EUR was allocated for implementation of the abovementioned programmes in Poland, about 49% of which was spent on the western border, over 21% on the eastern border, 16% on the southern border, and 14% on the north-eastern border. Implementation of the programmes is evaluated in the next subchapter.

In 2007-2013 the cross-border, transnational and interregional cooperation is implemented within the new Objective 3 of the EU cohesion policy, that is the European Territorial Cooperation (ETC) for which 7.75 billion EUR was allocated. On the other hand, cross-border cooperation with partner states beyond the external EU border is supported from the funds of the European Neighbourhood and Partnership Instrument. The European Territorial Cooperation comprises the following three types of programmes:

- 1) cross-border cooperation,
- 2) transnational cooperation,
- 3) interregional cooperation.

For instance, Poland received 0.7 billion EUR under the ETC for the following programmes:

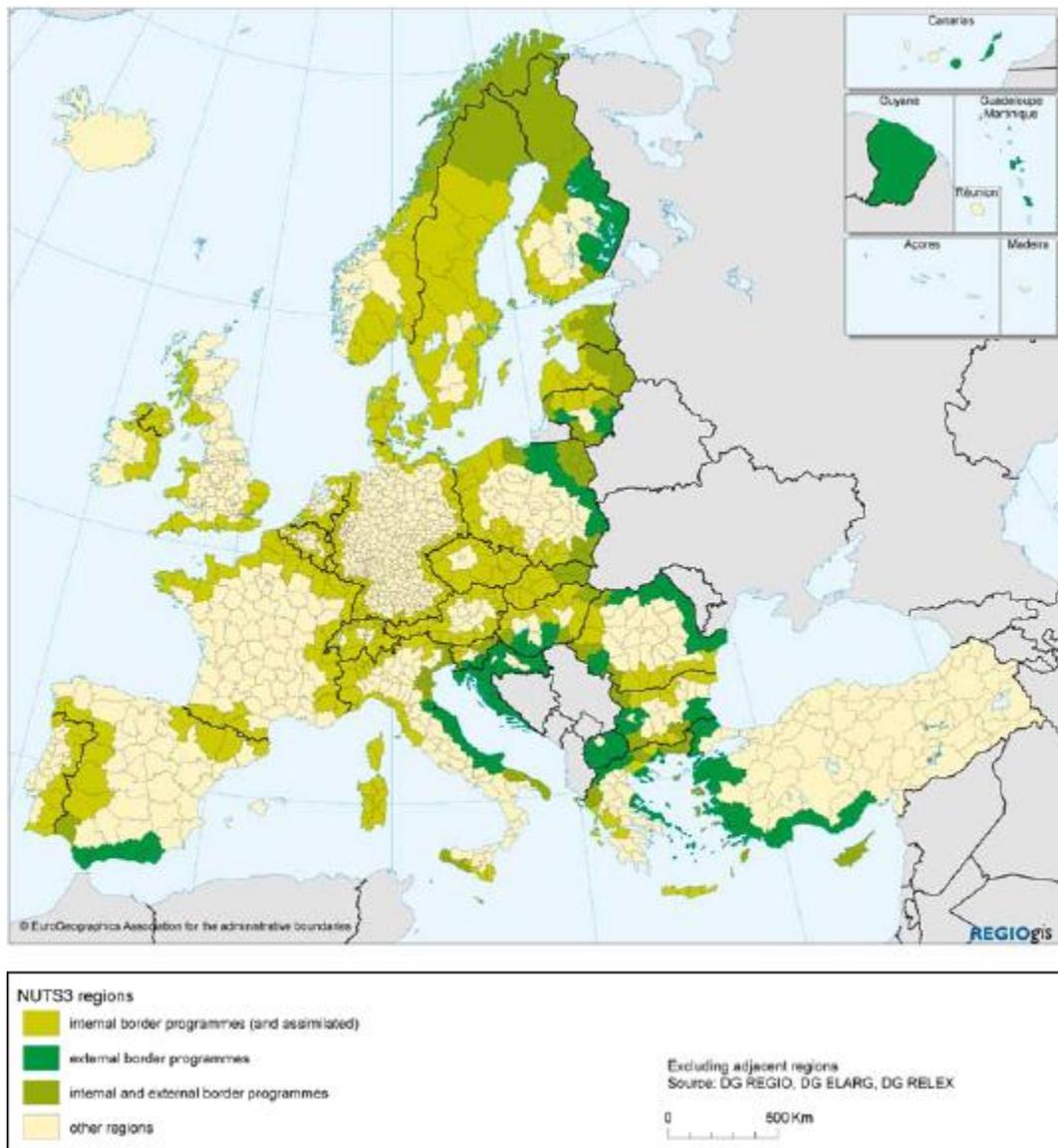
- operational programmes of cross-border cooperation:
  1. Poland (West Pomerania Province) – Germany (Mecklenburg – Hither Pomerania – Brandenburg) (132.8 million EUR<sup>1</sup>),
  2. Poland (Lubuskie Province) – Germany (Brandenburg) (50.1 million EUR),
  3. Poland (Lower Silesia Province and Lubuskie Province) – Germany (Saxony) (70.1 million EUR),
  4. Poland – Czech Republic (258.2 million EUR),
  5. Poland – Slovakia (185.2 million EUR),
  6. Poland – Lithuania (71.6 million EUR),
  7. Southern Baltic (Poland – Sweden – Denmark – Lithuania – Germany) (60.7 million EUR)

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<sup>1</sup> Amounts given include own contribution.

- programmes under the European Neighbourhood and Partnership Instrument:
  1. Poland – Lithuania – Russian Federation (Kaliningrad Oblast) (132.1 million EUR),
  2. Poland – Belarus – Ukraine (186.2 million EUR).

**Fig. 1. Regions covered by cross-border cooperation programmes in Europe in 2007-2013.**



Source: [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/File:Cross-border\\_cooperation\\_programme\\_areas.png](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/File:Cross-border_cooperation_programme_areas.png)

Projects can be different (investment and non-investment projects) but they always concern initiatives implemented together with another institution or a local government unit from the other side of the border. Project cooperation under the European Neighbourhood and Partnership Instrument covers at least two partners: one from an EU Member State and one from a partner state. The so-called cross-border effect is important in these projects.

The basis unit used in delimitation of border regions for the purposes of cross-border cooperation programmes, both under the European Territorial Cooperation and the European Neighbourhood and Partnership Instrument, is NUTS 3 territorial unit. These units are divided into border units and adjacent units. In the latter ones, support for projects is up to 20% of the total programme allocation and only non-investment projects can be financed.

Poland is involved in the following two transnational cooperation programmes in 2007-2013:

- *Baltic Sea Region* – apart from Poland, other participants of the programme are: Denmark, Estonia, Finland, Lithuania, Latvia, Germany (selected regions), Sweden and three states from outside the EU: Belarus (selected regions), Norway and Russia (selected regions),
- *Central Europe* – apart from Poland, other participants of the programme are: Austria, Czech Republic, Germany (selected regions), Slovakia, Slovenia, Hungary, Italy (selected regions), Ukraine (selected regions).

Typically, the projects carried out have a non-investment character. They may include: formulation and implementation of a strategy, preparation of necessary documents for investments of supranational significance, working out modern solutions in transport, development of cities, safeguarding of natural and cultural heritage, creating cooperation networks, and experience sharing. The projects must have, as a minimum, three co-financing partners from three states, of which at least two are EU Member States covered by the programmes: Baltic Sea Region or Central Europe.

The last of the discussed programmes is the interregional cooperation programme implemented in 2007-2013 – INTERREG IV whose territorial scope covers 27 EU Member States, Norway and Switzerland. The projects carried out within this programme should

have the representatives of at least three countries, including two partners from EU Member States as a minimum. The subject matter of these projects should concern:

- 1) innovation, research and development of technology, entrepreneurship, information society, employment and qualifications.
- 2) natural environment and prevention of risk, especially issues connected with natural and technological hazards, water management, waste management, biological diversity and safeguarding of natural heritage, power industry, sustainable transport, cultural heritage and landscape.

Therefore, it is evident that the EU cohesion policy is not only directed at supporting the regions which are peripheral in the socioeconomic sense, including border regions, but is also aimed at development of interregional cooperation, and one of its forms is cross-border cooperation. Nevertheless, a question arises about effectiveness of actions undertaken within this policy. These issues are discussed in the following subchapter.

## **2. Evaluation of the cohesion policy towards border regions (as exemplified by Poland)**

Evaluation of cross-border cooperation projects carried out within the framework of the EU regional policy and aimed at counteracting the negative effect of the frontier on development processes in the border regions is based on Poland's experience from 2004-2006<sup>2</sup>. In the analysed period, on the Polish side of the Polish-German border 300 projects were implemented under INTERREG III A programmes. These were typically small projects whose average value was about 267 000 EUR, with half of them not exceeding 103 000 EUR<sup>3</sup>. The project focused mostly on social infrastructure (construction and modernisation of buildings and facilities for recreation, sports and education, as well as culture centres), investments in tourism, repair and construction of local roads, as well as building and modernisation of sewage systems. Only few projects concerned cultural

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<sup>2</sup> The period 2007-2013 has not been finished yet so it is difficult to evaluate it properly.

<sup>3</sup> The analysis of cross-border cooperation projects is based on the following publication: Sylwia Dołzbłasz, Andrzej Raczyk, *Współpraca transgraniczna w Polsce po akcesji do UE*, Warszawa 2010.

cooperation or human resources development. This may have been caused by language barrier or negative stereotypes. The projects were carried out mostly in the biggest cities of the borderland, from Szczecin to Jelenia Góra. In total, over 450 million EUR was spent.

On the other hand, along Poland's southern border, significantly less was spent in comparison to the Polish-German borderland: 18 million EUR in the Polish-Czech borderland and 10.5 million EUR in the Polish-Slovak borderland, with respectively 103 and 47 projects implemented. These were typically small and very small projects (over 60% of them did not exceed 100 000 EUR). Their characteristic feature was predominance of tourism projects, as well as: a relatively high share of advanced scientific projects carried out by universities and research institutes, projects concerning renewable energy sources, a high percentage of basic infrastructure projects (roads, sewage systems, health care, social issues), and a small number of human resources projects. The spatial location of projects was determined by proximity of the border. Projects were not concentrated in the biggest cities. The only big town closely involved in cross-border cooperation projects was Opole.

Cross-border cooperation along the eastern and north-eastern border of Poland was influenced by significantly lesser permeability of the EU external border in comparison to the Polish-German, Polish-Czech and Polish-Slovak borderlands whose axes were internal borders. In the eastern borderland, 141 projects were completed worth over 35 million EUR in total. Most of them were small and medium projects (up to 150 000 EUR). They were concerned mostly with: transport, social and environmental infrastructure, cultural cooperation and tourism. In comparison to other borderlands, the share of projects for SMEs, as well as scientific and research projects, was relatively higher. Proximity of the border significantly influenced the location of projects. Big cities, mainly Lublin and Białystok, were also involved. Along the north-eastern border of Poland, 125 projects were carried out, mostly small and very small (below 100 000 EUR) for the total sum of 24.2 million EUR. The majority of them were non-investment projects in tourism and culture as well as human resources projects. On the other hand, the share of investment projects concerning basic infrastructure was low. Location of projects was influenced by proximity of the border but also associated with bigger urban centres.

Evaluating implementation of cross-border projects within the Community Initiative INTERREG III A (also INTTERREG/TACIS on the eastern and north-eastern border) in the first years of Poland's EU membership (2004-2006), we can notice the danger of polarization and asymmetrical development of border regions. Thus, cross-border cooperation programmes should be based more on the intraregional policy of local governments. Furthermore, it is important to give them a more effective multi-entity character and especially to include companies, NGOs and universities. These conclusions have partly been used in the current financial perspective (2007-2013) for development of cross-border programmes within the framework of the European Territorial Cooperation and the European Neighbourhood and Partnership Instrument. Nevertheless, to evaluate their effectiveness we should wait until the end of the current programming period.

To sum up, it can be claimed that the EU regional policy has been focused so far primarily on supporting peripheral regions, including border ones, with low GDP per capita. This policy contributes to gradual convergence within the EU. However, in less developed Member States acceleration of growth leads to (probably temporary) divergence. It means, on the one hand, fast growth of the regions which are relatively well-developed anyway and further marginalization of peripheral regions. Such weaker regions are concentrated especially along the eastern external EU border. Cross-border cooperation programmes, carried out both along external and internal EU frontiers, are not able to totally overcome peripherality of border regions. For mobilization of these regions, it is crucial to have a consistent and coordinated interregional policy of Member States and an intraregional policy pursued by administrative regions, as well as the EU cohesion policy which evolves from making up for infrastructural civilization backwardness towards building of competitive advantage based on innovation.

### 3) **Preparations of a border region for the new perspective of cohesion policy 2014-2020 (as exemplified by the Lublin Province)**

The Lublin Province is situated in the eastern part of Poland and its area is over 25 000 km<sup>2</sup>. The Province has 2 156.2 thousand inhabitants, that is ca. 5.6% of Poland's population (as at 31 December 2013). A significant factor of the Province's development is its borderland location. The eastern border of the Province is at the same time the state frontier with Belarus and Ukraine. Its total length is 466 km (that is 38.9% of the whole length of the frontier). The Polish-Belarusian part of the border is 170 km long, while the Polish-Ukrainian section is 296 km.

Analysis of statistical data reveals that the Lublin Province is one of the least developed regions both in Poland and in the European Union. Taking into account the purchasing power of the population, GDP per 1 inhabitant of the Lublin Province in 2010 accounted for 63% of the national average and only 42% of the EU average. The reasons for backwardness of the Lublin Province are complex and multidimensional and have deep historical roots. This is also partly due to the borderland location of the Province. The extremely tight Polish-Soviet border, established in 1945 and existing for almost half a century, led to formation of peripheral area features in its vicinity. Furthermore, low permeability of the Polish-Soviet border resulted in almost complete destruction of functional and spatial relations which used to connect the Polish, Belarusian and Ukrainian border regions. The system transformation and socioeconomic changes in Poland and attainment of independence by Belarus and Ukraine initiated a short-term period when permeability of the border was increasing, which brought about rapid intensification of cross-border movement, trade and cooperation. However, owing to Poland's accession to the EU and primarily to the Schengen Area, the eastern border was again tightened as the external frontier of the European Union<sup>4</sup>. In consequence, as observed by H. Ponikowski,

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<sup>4</sup> Tomasz Komornicki, Andrzej Miszczuk, *Transgraniczne powiązania województw Polski wschodniej*, Opinion prepared at the request of the Ministry of Regional Development for the purpose of updating *The strategy of the socioeconomic development of Eastern Poland until 2020*, Warszawa 2013, p. 1.

the threat to development of the Lublin Province and Eastern Poland in general is connected with reinforcing the image of a peripheral region in a peripheral country<sup>5</sup>.

Even though the Lublin Province is one of the least developed regions of the European Union, its development level is relatively good in comparison to the areas on the other side of the border. Taking into account the purchasing power, GDP per capita in the Brest Oblast in 2010 was at the level of 31% of the EU average (Belarus – 44%), in the Lviv Oblast – 15%, and in the Volyn Oblast – 12% (Ukraine – 21%). In the general classification encompassing 348 statistical units of the EU regional level (NUTS2), as well as all oblasts of Ukraine and Belarus, the Lublin Province occupied a distant position (302) in terms of the GDP level according to the purchasing power per inhabitant, the Brest Oblast – 315, the Lviv Oblast – 335, and the Volyn Oblast – 343.

On the basis of the above comparison, the following conclusions can be drawn. Firstly, the analysed administrative units are among the least developed regions both in Europe and in the discussed states and are clearly marked by peripherality in the geographical and economic sense. Secondly, the development level of the regions situated on both sides of the analysed segment of the external EU border is largely asymmetric to the disadvantage of the Ukrainian and Belarusian parts of the borderland. In view of the current geopolitical conditions, this only aggravates problems with pursuing advanced forms of cross-border cooperation and raising the cohesion of the Polish, Ukrainian and Belarusian border areas. Consequently, the advantages of the borderland location are slight and limited primarily to the cross-border trade. On the other hand, location at the external EU frontier offers new development prospects for the borderland, connected mostly with extension of border infrastructure, management of cross-border movement of people and goods, as well as operation of businesses in the border areas.

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<sup>5</sup> Henryk Ponikowski, *Lublin i województwo lubelskie na tle kraju i Unii Europejskiej*, [in:] Wojciech Janicki (ed.), *Województwo lubelskie. Środowisko – społeczeństwo – gospodarka*, Lublin 2011, pp. 22-23.

Summing up, it can be claimed that even though the borderland location of the Lublin Province creates certain opportunities for growth, generally it has an adverse effect on the socioeconomic development of the Lublin Province, reinforcing its peripherality in two meanings: geographical and economic.<sup>6</sup> Consequently, local authorities should aim at overcoming the negative influence of the frontier on socioeconomic growth and at best possible using of few advantages associated with the borderland location of the Lublin Province.

The new perspective of the cohesion policy for 2014-2020 offers a real chance for attainment of this goal. Similarly as in the previous programming period, the funding under this policy will be allocated for acceleration of economic growth and for elimination of disparities between richer and poorer regions of Europe. In the new EU financial perspective, the Lublin Province will have a chance to benefit from the EU funding within six national programmes worth 45.6 billion EUR in total (including the programme aimed specifically at five provinces of the Eastern Poland), as well as the Regional Operational Programme in which a sum of 2.23 billion EUR has been allocated for the Lublin Province. Moreover, in 2014-2020 (actually until 2022-2023), the Cross-Border Cooperation Programme Poland-Belarus-Ukraine will be continued within the framework of the European Neighbourhood Instrument<sup>7</sup>. In accordance with the guidelines of the Ministry of Regional Development, programmes conducted along the external EU frontiers (including the Cross-Border Cooperation Programme Poland-Belarus-Ukraine) should be directed at creating conditions enhancing competitiveness of border regions, e.g. by supporting infrastructural investment in environmental protection and tourism. Furthermore, they should contribute to safety of the borders but also to increasing their permeability<sup>8</sup>.

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<sup>6</sup> Cf. Jacek Szlachta, *Europejski wymiar rozwoju Polski Wschodniej w latach 2014-2020*, [in:] „Zeszyty Naukowe WSEI, seria: EKONOMIA” 2013, 6 (1), p. 26.

<sup>7</sup> The exact distribution of funds within the European Neighbourhood Instrument is not known yet. The total budget of the European Neighbourhood Instrument for 2014-2020 has been planned at a level of 18.2 billion EUR and is higher by 40% than the budget of the European Instrument of Neighbourhood and Partnership in 2007-2013.

<sup>8</sup> *Programy współpracy terytorialnej z udziałem Polski w perspektywie 2014-2020*, the Ministry of Regional Development, Warszawa 2012, p. 9.

With a view to using EU funds in an efficient, orderly and coordinated way, the local authorities of the Lublin Province compiled a number of strategic and programme documents setting the direction of initiatives undertaken within the new perspective of the cohesion policy 2014-2020. Opportunities for socioeconomic development, arising from borderland location of some regions of the Province, have been included in the basic strategic document of the region – the Strategy of Development of the Lublin Province for 2014-2020 (with the prospects until 2030). Among the identified functional areas (so-called Strategic Intervention Areas) the Functional Border Area was also distinguished, encompassing administrative areas of the districts which are directly adjacent to the state frontier. It is emphasized in the document that full use of the economic potential resulting from proximity of the border is hindered by restrictions in movement of people, goods, capital and services. In accordance with principles of the Strategy, an intervention should encompass actions aimed at using the potential of the borderland and providing services to the EU, through development of social, logistic and border management infrastructure, as well as improvement of safety. Furthermore, the Strategy highlights the need to restore social and economic functions of towns located in the borderland through supporting human resources and entrepreneurship. The Strategy also focuses on launching new border crossings and development of the existing ones (including local), especially where former transport connections could be restored, and on opening of seasonal (tourist) border crossings located on both sides of the frontier, with admissible pedestrian movement<sup>9</sup>.

Nevertheless, the most important element of the preparations of the Lublin Province for the new perspective of the cohesion policy, taking into account its border location, is the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020<sup>10</sup> which is the first document of this kind, compiled for a cross-border region situated along the external EU border.

The work on the idea of the Strategy was started in mid-2012 on the initiative of the local government of the Lublin Province. The general outline of work on the document was

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<sup>9</sup> *Strategy of Development of the Lublin Province for 2014-2020 (with the prospects until 2030)*, Lublin 2013, p. 80.

<sup>10</sup> *Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020*, Lublin 2014.

presented and approved by the authorities of the four border regions at a sitting of the Council of the Cross-Border Association Euroregion Bug on 26 November 2012 in Brest. A draft Strategy was prepared by the Joint Working Group whose members were representatives of the authorities of the Lublin Province and partner regions from Belarus and Ukraine. Then it was submitted for social consultations in each region from 10 December 2013 until 24 January 2014. The process of preparing the Strategy was completed on 7 May 2014 in Lublin, with official signing of the Declaration on implementing the Strategy by representatives of the authorities of the Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast.

The time horizon of the Strategy covers the 7-year programming period, consistent with the next EU financial perspective for 2014-2020. Its spatial range encompasses four neighbouring border regions, that is the Lublin Province (Poland), the Lviv Oblast and the Volyn Oblast (Ukraine) and the Brest Oblast (Belarus), with the total area of almost 100 000 km<sup>2</sup> and 7 142.8 thousand inhabitants. An important argument in favour of such delineation of the cross-border cooperation area is the fact that these regions belong to the Cross-Border Association Euroregion Bug<sup>11</sup>. Even though in the cross-border area covered by the Strategy there are three state frontiers, the Strategy focuses on two of them, that is Polish-Belarusian and Polish-Ukrainian borders which form a part of the EU external frontier.

The document of the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020 is consistent with other strategic documents prepared at the European and national levels for the purposes of the 2014-2020 perspective, and especially with the Europe 2020 Strategy which is the key document defining evolution of the EU policies in this period, and the Strategy for rational and sustainable development facilitating social inclusion, on which the principles of the new European Neighbourhood Policy are based. Among the national documents, the following should be mentioned: the Medium-Term Strategy of the State's Development 2020, the National Strategy of Regional Development 2020 and the Conception of the

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<sup>11</sup> The Cross-Border Association Euroregion Bug includes two border districts of the Lviv Oblast, that is Sokal District and Zhovkva District.

Spatial Development of the State 2030, as well as the Strategy of Development of the Lublin Province for 2014-2020 (with the prospects until 2030) prepared on the basis of the aforementioned documents, and the updated Strategy of Development of Eastern Poland 2020. During the work on the Strategy, the strategic documents concerning development of the Brest, Lviv and Volyn Oblasts were taken into account, as well as the arrangements made within the framework of the Polish-Belarusian Intergovernmental Coordination Commission for Cross-Border Cooperation and the Polish-Ukrainian Intergovernmental Coordination Council for Interregional Cooperation.

The work on the Strategy focused on identification and agreement on the strategic objectives of cooperation among the border regions, indication of development priorities for border regions to make them more open to cooperation and mutual benefits, as well as stimulation of growth processes in the borderland, e.g. through improving promotion of the region and its ability to attract investment from outside. Above all, the Strategy aims at preparing the regions from the borderland for the new perspective of the European Neighbourhood Policy and for efficient obtaining and using of funds from the Cross-Border Cooperation Programme Poland-Belarus-Ukraine 2014-2020.

Nevertheless, it does not mean that sources of financing have been limited only to the abovementioned Programme. In accordance with the principles of the Strategy, they should encompass all available and ready financial means, including national public funds; as well as public resources from abroad – mostly funds from the EU budget which, apart from the Cross-Border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, cover also the European structural funds (the European Regional Development Fund and the European Social Fund) and the Cohesion Fund, allocated for implementation of the cohesion policy; funds from loans of international financial institutions, as well as other European funds e.g. from the Norwegian Financial Mechanism, EEA Financial Mechanism and the Swiss-Polish Cooperation Programme; non-European funds (e.g. USAID), and private funds co-financing projects under the public-private partnership system.

In accordance with the primary objective of the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020, initiatives undertaken within its framework should be aimed at using the endogenous development potential of the borderland to enhance its socioeconomic competitiveness and to alleviate the limitations resulting from the influence of the frontier. This objective has been further elaborated through indicating the following four spheres of strategic actions:

- 1) economic cooperation in creating favourable conditions for development of entrepreneurship and investment of external capital, intended for improvement of economic competitiveness of the cross-border region;
- 2) strengthening of the natural and cultural potential of the borderland and using it for the development of the tourism sector, leading to enhancement of tourist attractiveness of the region while maintaining its biodiversity and cultural heritage values;
- 3) supporting initiatives for improvement of the external and internal transport accessibility of the cross-border region, aimed at significant and permanent shortening of the time needed for crossing the Polish-Belarusian and the Polish-Ukrainian border;
- 4) promoting cooperation between universities and scientific institutions in research and education, with a view to improvement of teaching quality, internationalization of the educational offer and creation of interacademic research teams.

In accordance with principles of the Strategy, four basic sectors of entities involved in its implementation can be distinguished: the public sector (both state administration and local governments), the private sector (so-called economic entities), the social sector (non-governmental organizations) and the research and development sector (including universities and scientific institutions).

The list of tasks and priorities for the Lublin Province and the partner regions located on the other side of the border, included in the Strategy of the Cross-Border Cooperation among Lublin Province, Lviv Oblast, Volyn Oblast and Brest Oblast for 2014-2020, is the basis for creation of new international projects financed from the EU funds in the financial perspective for 2014-2020. The Strategy can be regarded as an interesting

example of actions for effective use of cross-border development potential of neighbouring regions and chances offered by the European cohesion policy. Furthermore, the fact that the Strategy is the first document of this kind concerning the cross-border area located along the external EU frontier gives it the unique and even model character.

### **Final remarks**

Over the last decades, on the European scale, there has been a noticeable increase in cooperation among border regions, aimed at alleviation of negative effects of borders, improvement of people's quality of life and making use of opportunities for growth e.g. through elimination of disparities in the level of economic development caused by the peripheral location of the border areas, upgrading of transport infrastructure, promotion of investment attractiveness and enhancement of competitiveness. Nevertheless, while the increased permeability of borders, resulting from reduction in formal and legal barriers, facilitates the functioning of border regions located at internal EU frontiers, cooperation along the external EU border still remains a problem.

In the years 1989-2013 the cohesion policy towards border areas evolved noticeably, both with respect to its objectives and financial means allocated to it. The basic tools of the cohesion policy in this sphere are cross-border cooperation programmes. However, it should be remembered that the financial resources assigned to them are only a small part of the cohesion policy so their capacities are limited. The total funds allocated for the European Territorial Cooperation (11.7 billion EUR) and the European Neighbourhood Instrument (18.2 billion EUR) for 2014-2020 account for only 3% of the EU budget (997.0 billion EUR). Furthermore, the financial resources assigned to projects co-financed from the European Territorial Cooperation programmes, in which entities located in the Polish borderland can participate, is only 700 million EUR, that is less than 0.85% of the total sum allocated for the cohesion policy in Poland (value of programmes co-financed within the framework of the European Neighbourhood Instrument has not been determined yet) which amounts to 82.5 billion EUR.

It means that in the case of border regions the chances associated with the European cohesion policy aimed at bridging the development gap resulting from the peripheral location, should be seen primarily in successful implementation of the regional policy at the level of the state and particular provinces, on the basis on national and regional programmes. Actions undertaken within the European Territorial Cooperation and the European Neighbourhood Instrument should only have a complementary character, stimulating development of cross-border cooperation and, especially in the case of regions located along the external EU border, alleviating the negative influence of the frontier on the socioeconomic growth.

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