



The Centre for
Cross Border Studies

EU Referendum Briefing Papers

Briefing Paper 3

The UK Referendum on Membership of the EU:
Cross-Border Cooperation, Peace-Building and
Regional Development



Introduction

The decision that citizens in all parts of the United Kingdom will make on the 23rd of June will determine whether the border between Ireland and Northern Ireland remains an internal European Union border, or whether it becomes an external border between an EU Member State and a UK that has voted to leave. While the ultimate impact would depend on the shape and detail of any new relationship negotiated between the UK and the EU, Brexit has the potential to affect nearly all aspects of North-South and East-West relations.

In the run-up to the referendum, the Centre for Cross Border Studies and Co-operation Ireland are publishing a series of briefing papers which aim to inform debate by exploring the potential impacts on Northern Ireland and North-South relations. The first paper in this series provided an overview of the potential consequences of a 'leave' vote for future co-operation and peace building across the island.¹ The second focused in greater depth on possible constitutional and political impacts, particularly what implications a UK departure from the EU may have for key political and legal instruments underlying the Northern Ireland peace settlement.²

This third paper in the series considers the role the European Union has played in supporting cross-border cooperation that has contributed to peace-building and regional socio-economic development. It will outline the funding made available by the EU to undertake such cooperation, and how local authorities from both sides of the border have collaborated on joint projects. It concludes by assessing the future of cross-border cooperation in a post-Brexit scenario, and by offering some examples of cross-border cooperation between EU and non-EU countries.

The European Union and Cross-Border Cooperation

From an EU perspective, cross-border cooperation is seen as a means of contributing to its regional cohesion policy. According to the Treaty on the Functioning of the European Union, and in pursuit of economic, social and territorial cohesion, "the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions".³

"Among the regions concerned", the Treaty states, "particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density, and island, cross-border and mountain regions". Northern Ireland and the border counties of Ireland, therefore, have been a particular focus for the European Union's Structural Funds in its efforts to reduce the effects caused by peripherality.⁴

¹ Centre for Cross Border Studies and Co-operation Ireland, 2016. The UK Referendum on Membership of the EU: What does it mean for us? EU Referendum Briefing Paper 1. Available at <http://crossborder.ie/eu-referendum-briefing-paper-series/>

² Centre for Cross Border Studies and Co-operation Ireland, 2016. The UK Referendum on Membership of the EU: Potential Constitutional Consequences. EU Referendum Briefing Paper 2. <http://crossborder.ie/site2015/wp-content/uploads/2016/03/EU-Referendum-Briefing-Paper-2.pdf>.

³ Consolidated Version of the Treaty on the Functioning of the European Union, Article 174, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN>

⁴ The principal funds used to support the EU's regional policy are the European Regional Development Fund (ERDF), the Cohesion Fund (CF), and the European Social Fund (ESF). See http://ec.europa.eu/regional_policy/en/policy/what/investment-policy/. For an overview, see European

Given its levels of economic development, which was less than 75% of the EU average in terms of per capita gross domestic product (GDP), from 1989 until 2006 Northern Ireland was a priority region – known as Objective 1 – and therefore eligible for proportionately more cohesion funding than other European Union regions.⁵ Since 2007 Northern Ireland has been classified as a transition region, which is a region with per capita GDP between 75 and 90% of the EU average, receiving proportionately less than Objective 1 regions, but more than those classified more developed regions.⁶ Enlargement of the European Union to include new underdeveloped Member States from Eastern Europe in 2004 can in part explain Northern Ireland’s change in status from Objective 1 to a transition region.

As Northern Ireland marks the point where the United Kingdom has its only land border with another European Union Member State, those living in the border area are more likely to experience the characteristics of border areas elsewhere in Europe: they “are often peripheral, underdeveloped or marginalised areas” and are sometimes “historical scars”.⁷ Cross-border cooperation, then, is viewed by the EU as helping “to reduce the effect of borders as administrative, legal and physical barriers, tackle common problems and exploit untapped potential”.⁸

Started in 1990, the principal EU funding programme to support cross-border cooperation is known as INTERREG A.⁹ Since its creation there have been five periods of the INTERREG programme: 1990-1993 (INTERREG I), 1994-1999 (INTERREG II), 2000-2006 (INTERREG III), 2007-2013 (INTERREG IV), and the current period, 2014-2020 (INTERREG V). From 2007 the eligible area for the INTERREG A programme for our region was extended to include not only Northern Ireland and the Border Region of Ireland,¹⁰ but also Western Scotland.

Over the five periods the European Union’s financial contribution to the INTERREG A programme in this region amounts to just over €810 million, with the governments of Northern Ireland, the Republic of Ireland and, since 2007, the Scottish government providing additional contributions totalling €323.9 million.¹¹

Commission, “The European Union Explained: Regional Policy” (2014), http://europa.eu/pol/pdf/flipbook/en/regional_policy_en.pdf.

⁵ From 2000 to 2006 “Northern Ireland retained Objective 1 status on a transitional basis, despite having officially exceeded the eligibility criteria due to rising living standards”; Northern Ireland Assembly Research and Library Service Briefing Paper 150/10, “European funding in Northern Ireland” (20 August 2010), p.5, <http://www.niassembly.gov.uk/globalassets/Documents/RaISe/Publications/2010/General/15010.pdf>.

⁶ There are regions of the UK still classified as less developed: Cornwall, the Scilly Isles, West Wales and the Valleys.

⁷ European Commission, *European Territorial Cooperation: Building Bridges Between People* (2011), p.12, http://ec.europa.eu/regional_policy/sources/information/pdf/brochures/etc_book_lr.pdf.

⁸ Ibid.

⁹ There are two further INTERREG programmes for European Territorial Cooperation: INTERREG B, which supports trans-national cooperation between neighbouring regions from several Member States; and INTERREG C, which works on a pan-European scale. See http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/trans-national/ and http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/interregional/.

¹⁰ The Border Region of Ireland comprises Counties Donegal, Louth, Cavan, Monaghan, Sligo and Leitrim.

¹¹ See Special EU Programmes Body (SEUPB), Facts & Figures on EU PEACE & INTERREG Funding, http://www.seupb.eu/NewsAndEvents/LatestNews/16-02-23/Facts_figures_on_EU_PEACE_INTERREG_Funding.aspx [last accessed 05/05/2016].

Uniquely, however, Northern Ireland and the Border Region of Ireland have benefited from an additional European Territorial Cooperation programme specifically created “to reinforce a peaceful and stable society by fostering reconciliation”,¹² and to promote “social and economic stability” in the region.¹³ Since its beginning in 1995 as an EU response to the paramilitary ceasefires and the developing peace process in Northern Ireland, now in its fourth period the PEACE programme has brought approximately €1.56 billion in EU funds to the region, with an additional €702 million being provided by the Irish Government and the Northern Ireland Executive.¹⁴

The concrete impacts of the PEACE and INTERREG programmes are listed in the Special EU Programmes Body’s recent paper “The impact of EU funding on the Region”,¹⁵ with notable projects and outcomes from the 2007-2013 programming period including:

- 7 pilot projects of cross-border cooperation between public sector bodies aimed at increasing the capacity for a shared society;
- The Rural Community Network’s “Rural Enabler Programme”, aimed at challenging sectarianism and racism in rural Northern Ireland and the Border Counties of Ireland¹⁶
- 1318 businesses collaborating on a cross-border basis as a result of participation in networking projects;
- 100 cross-border collaboration projects to promote cooperation and exchange of expertise, information and best practice between public bodies and other stakeholders to deliver services within border areas;
- CAWT’s “Putting Patients First” project, which improved access for cross-border populations to a range of health services and provided enhanced care for citizens living within the border area;¹⁷
- Overhaul of the Enterprise train service and the Drogheda Viaduct, upgrading train carriages and maintaining and enhancing journey times between Belfast and Dublin.

¹² European Commission, Directorate-General for Regional and Urban Policy, http://ec.europa.eu/regional_policy/EN/atlas/programmes/2014-2020/united-kingdom/2014tc16rfpc001.

¹³ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for support from the European Regional Development Fund to the European territorial cooperation goal, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:En:PDF>. However, it is important to note that, unlike other European Territorial Cooperation programmes such as INTERREG, the PEACE programme is exempted from the general regulation (Article 12 of Regulation 1299/2013) that states: “Operations selected under cross-border and transnational cooperation shall involve beneficiaries from at least two participating countries”. This means that not all projects under the PEACE programme need to be cross-border.

¹⁴ Special EU Programmes Body (SEUPB), “Facts & Figures on EU PEACE & INTERREG Funding”, http://www.seupb.eu/NewsAndEvents/LatestNews/16-02-23/Facts_figures_on_EU_PEACE_INTERREG_Funding.aspx [last accessed 05/05/2016]. The current PEACE IV programme corresponds to the period 2014-2020, with the previous three corresponding to the periods 1995-1999 (PEACE I), 2000-2006 (PEACE II, which included an extension from 2004 to 2006), and 2007-2013 (PEACE III).

¹⁵ SEUPB, “The impact of EU funding on the Region” (May 2017), http://www.seupb.eu/Libraries/Media_Press_Releases/EU_Referendum_Impact_of_Programmes_2.sflb.ashx [last accessed 21/05/2016].

¹⁶ See Rural Community Network, <http://www.ruralcommunitynetwork.org/programmes/programmes.aspx?id=2>.

¹⁷ For more on cross-border cooperation in the area of health and social care, see Cooperation and Working Together (CAWT), <http://www.cawt.com/default.aspx?CATID=1019>.

Both the INTERREG and PEACE cross-border programmes are managed by the Special EU Programmes Body, one of the six implementation bodies set up in the wake of the 1998 Belfast/Good Friday Agreement, while the content and funding priorities of each programme are agreed by the European Commission, Irish Government and the Northern Ireland Executive.¹⁸ It could be argued, therefore, that the UK's membership of the EU has – through participation in the INTERREG and PEACE programmes – contributed to the material outworkings of Strand II of the 1998 Belfast/Good Friday Agreement.

The process of Government Departments in both jurisdictions on the island of Ireland and their immediate stakeholders working to jointly identify and agree the priorities to be addressed by the EU cross-border programmes can be seen as mirroring the objectives of the North South Ministerial Council as set out in the 1998 Agreement, namely “to develop consultation, co-operation and action within the island of Ireland – including on an all-island and cross-border basis – on matters of mutual interest”.¹⁹ Moreover, those involved in delivering and benefiting from the projects funded by these programmes contribute to the further embedding of Strand II of the Agreement through their cross-border cooperation activities.

Local Authorities and Cross-Border Cooperation

At local government level EU Territorial Cooperation funds have also supported collaboration between councils on both sides of the border for the mutual benefit of their populations. Indeed, the current PEACE IV programme notes that “The PEACE programmes have traditionally worked closely with local government structures in Northern Ireland and in the Border Region of Ireland to build bottom-up mechanisms for the implementation of the activities of the programmes”,²⁰ while the 2014-2020 INTERREG VA programme identifies the recent reforms of local government in both jurisdictions as “Opportunities for increased local level co-operation”.²¹

It is important to stress, however, that EU funds did not create the desire for cross-border cooperation, which was already taking place even at the height of the conflict in Northern Ireland. Both civil society organisations who “felt that there was an important role for people-to-people cooperation” and “argued that in the absence of governmental cooperation, it was all the more important that trust be built between the people of both parts of the island”,²² as well as local councils on the border, were engaged in some level of cross-border cooperation. What the arrival of EU cross-border funding programmes permitted was the strategic upscaling of piecemeal cross-border activities to a level that would offer the potential for wider regional development.

¹⁸ In the case of the INTERREG programme and since 2007 the Scottish Government also has to agree to its contents. Moreover, it is important to note that approval of EU programmes is reached by the European Commission and Member States, so it is the UK Government that makes the final agreement with the Commission on behalf of and in coordination with the devolved UK administrations.

¹⁹ <https://www.gov.uk/government/publications/the-belfast-agreement>.

²⁰ http://www.seupb.eu/Libraries/PEACE_IV_Programme_Guidance/PIV_AdoptionByEC_30-11-2015.sflb.ashx, p.6.

²¹ http://www.seupb.eu/Libraries/INTERREG_VA_Programme_Guidance/IVA_AdoptionByEC_28-01-2015_Version2.sflb.ashx, p.18.

²² Brian Harvey et al, *The Emerald Curtain: The Social Impact of the Irish Border* (Carrickmacross: Triskele Community Training & Development, 2005), p.121.

Illustrative of this history of cross-border cooperation at local government level are the three local authority-led cross-border groups: the East Border Region (EBR),²³ the Irish Central Border Area Network (ICBAN),²⁴ and the North West Region Cross Border Group (NWRCBG).²⁵ The creation of the EBR and the NWRCBG in the mid-1970s (with ICBAN emerging in the mid-1990s) was a response by political representatives at local level from all political parties North and South to the specific needs of the border area, with the disadvantages caused by peripherality that are common to border areas elsewhere in Europe compounded by the conflict in Northern Ireland.

However, as Pamela Arthurs, Chief Executive of the EBR has noted, the financial resources to address the needs identified by the local authority-led cross-border groups were not readily available, thereby limiting their capacity to address those needs:

“Projects identified in the 1980s included producing a joint telephone directory, the Dublin/Belfast rail service, Newry-Dundalk road, cooperation regarding planning, fisheries, Carlingford Lough car ferry, the provision of a joint tourism office at the border, and the promotion of the region as a less favoured area. What was desperately needed however was a mechanism to fund these various initiatives. [...] This mechanism came with the introduction of the European Union Community Initiative INTERREG I. For the first time, outside finance was available to fund cross-border initiatives”.²⁶

Another example of North-South cooperation at local government level is the All-Island Local Authority Forum.²⁷ It brings together council Chief Executives from Northern Ireland with their counterparts in the Republic of Ireland to build sustainable cross-border relationships and promote practical co-operation to enhance the effectiveness of local government North and South. The Forum is supported and facilitated in its work by Co-operation Ireland and draws its membership from the respective representative bodies in both jurisdictions, the Society of Local Authority Chief Executives (SOLACE) and the County and City Managers’ Association (CCMA). Funding for the Forum is provided jointly by the Department of the Environment in Northern Ireland and the Department of Environment and Local Government in the Republic.

Established in 2002, the Forum has delivered a range of initiatives to share learning and good practice across the island and to support local government to work together for mutual benefit. The Forum operates through thematic sub-groups which are convened to consider specific topics, selected by members to reflect shared strategic aims and priorities. Each sub-group is co-chaired by a northern and southern member of the Forum and involve other relevant local authority officials and external subject experts. The outputs of sub-groups vary but typically include research reports, good practice publications, and workshops/conferences. Findings are reported back to the overall Forum and are communicated to central and local government, with, where appropriate, recommendations for further actions. Over the past number of years, the Forum has focused its

²³ <http://www.eastborderregion.com/>

²⁴ <http://www.icban.com/Home>

²⁵ <http://www.nwrcbg.org/>

²⁶ Pamela Arthurs, “The Local Authority-Led Cross-Border Groups: an early example of cross-border best practice along the Ireland/Northern Ireland Border area?”, *The Journal of Cross Border Studies in Ireland*, 10 (2015), pp.8-19 (p.13), <http://crossborder.ie/the-journal-of-cross-border-studies-in-ireland-no-10/>.

²⁷ <http://www.cooperationireland.org/programmes/community-programmes/local-authorities-programme/>.

work on issues such as waste management, community planning, social inclusion, spatial planning, and shared services.

The Future of Cross-Border Cooperation in a post-Brexit World

If the UK's membership of the European Union has allowed the upscaling of cross-border cooperation between Northern Ireland and the Republic of Ireland through the investment provided by the INTERREG and PEACE programmes, the forthcoming referendum on continued UK membership of the European Union creates uncertainties over the future. For example, while a UK decision to leave the EU would clearly have implications for the work of the All-Island Local Authority Forum, it remains to be seen what practical impact it would have. In the medium-term, the most foreseeable barriers which might emerge to local authority co-operation would appear to relate to the risk of greater legislative and policy divergence between North and South. It is likely that some of the Forum's work streams would be more affected than others. For example, efforts to promote greater cross-border integration and co-operation in areas such as waste management would be hindered by the removal of a common EU legislative framework. In contrast, activities focused on the sharing of learning and good practice would appear to be less vulnerable to shifts in policy direction.

While the work programmes of the All-Island Local Authority Forum and the local authority-led cross-border groups will need to evolve to respond to any challenges emerging from Brexit, the wider rationale for cross-border co-operation in local government and other sectors would not change. Local authorities in border regions will still confront the shared challenges and opportunities which arise from administering a common frontier and, across the island, will still benefit from the sharing of learning and good practice. In other regions, co-operation between local authorities and other actors either side of the EU's external frontiers is facilitated and supported by the framework for European territorial co-operation. While the extent to which a post-Brexit UK would be eligible to participate in such programmes is unclear, they potentially offer models and learning to support the continuing development of local authority co-operation on the island.²⁸

For example, the EU's regulations regarding territorial cooperation allow for the participation of non-EU countries and territories, stating: "cross-border cooperation programmes may cover regions in Norway and Switzerland and also cover Liechtenstein, Andorra, Monaco and San Marino and third countries or territories neighbouring outermost regions".²⁹ Thus Norway, for example, is involved in four INTERREG VA programmes in the current funding period (one with Sweden only, two with Sweden and Finland, and another with Sweden and Denmark), whilst in the 2007-2013 period

²⁸ We are discounting here as an unviable option the UK's post-Brexit participation in the EU's European Neighbourhood Policy. This is directed to the EU working "with its southern and eastern neighbours to achieve the closest possible political association and the greatest possible degree of economic integration" (European External Action Service, http://eeas.europa.eu/enp/about-us/index_en.htm). Non-EU countries currently participating in the European Neighbourhood Policy include Armenia, Azerbaijan, Egypt, Israel, Palestine and Jordan.

²⁹ Article 3, para 2, Regulation (EU) No 1299/2013.

Switzerland participated in an INTERREG IVA programme with France and another for the Upper Rhine region, which included Germany and France.³⁰

Participation of non-EU countries in EU territorial cooperation programmes, however, requires that non-member states follow the relevant regulations and the policy direction set by the European Union. Additionally, and perhaps most importantly, it also requires their financial contribution. Therefore, if the UK and any of the devolved administrations in a post-Brexit context were to continue their participation in EU-funded cross-border cooperation programmes, it would demand following EU cohesion policy and financial contributions.

Of course, as in the case of French-Swiss cross-border cooperation for example, such cooperation can take place outside the EU funding programmes. This requires agreement on a legal framework that can accommodate both the needs of the EU Member State and of the non-EU country. In the Franco-Swiss case,

“The local authorities [...] are backed by a common legal framework. In July 2004, the quadripartite Karlsruhe Agreement (1996) between France, Luxembourg, Germany and Switzerland was extended to apply to the whole of the French-Swiss border. The purpose of this agreement is to facilitate and promote cross-border cooperation between French, German, Luxembourgish and Swiss local and regional authorities and local public institutions in their common areas of competence”.³¹

Cross-border cooperation, then, is possible between non-EU and EU countries, whether within EU Territorial Cooperation programmes or outside the EU framework. However, it requires both the political will and the provision of the financial means to do so. For Northern Ireland in a post-Brexit context, participation in EU programmes would not be at the discretion of the Executive, but would need the consent of the UK Government, which would have to negotiate with the EU on Northern Ireland’s behalf and determine whether the necessary financial contributions would come from the central government’s budget or from the devolved budget. The crucial question would be whether such political will would exist with the accompanying financial resources to sustain the current levels of cross-border cooperation.

Conclusion

Although cross-border cooperation between a range of actors in Northern Ireland and the Republic of Ireland predates the creation of EU funds such as INTERREG, the arrival of these funds, including the PEACE programme created specifically for Northern Ireland and the Irish Border Region, enabled cross-border cooperation to move beyond piecemeal activities lacking a more strategic vision and wider socio-economic impact. They have also provided the additional financial means to contribute to the embedding of the objectives of Strand II of the 1998 Belfast/Good Friday Agreement.

There is the potential risk raised by a UK withdrawal from the EU that cross-border cooperation, in the absence of EU funds, would be given less priority by the governments in Belfast, Dublin and

³⁰ For an overview of cross-border cooperation at different borders, including with non-EU countries, see Mission Opérationnelle Transfrontalière, <http://www.espaces-transfrontaliers.org/en/bdd-borders/>.

³¹ Mission Opérationnelle Transfrontalière, <http://www.espaces-transfrontaliers.org/en/resources/territories/borders/borders-in-europe/border-france-switzerland/border-france-switzerland-3/>.

London. The reduction of government funding for cross-border cooperation would also increase the likelihood of a return to piecemeal cooperation with little regional impact. Policy divergence between the jurisdictions may also make the conditions for cross-border cooperation more difficult, with government at local, regional and national levels increasingly reverting to “back-to-back” policy development that overlooks opportunities for profitable cross-border collaboration.

Sustaining current levels of cross-border cooperation on the island of Ireland in a post-Brexit era, therefore, will require local, regional and central government in both jurisdictions to be attentive to the needs of communities in the border region, and to develop a territorial cohesion policy mirroring that of the EU. Such a policy must be supported by budgetary allocations that will replace those currently afforded by the EU. Without these it is doubtful whether Northern Ireland can benefit from the opportunities afforded by cross-border cooperation.