



INTERNATIONAL AND INTERIOR INTERTERRITORIAL INTERACTION AS A KEY FACTOR OF REGIONAL DEVELOPMENT AND FOREIGN RELATIONS

Since ancient times, the mobility of people, goods, services and funds has been a sign of each territory development much earlier than formation of nowadays European states, the supremacy of which was determined only by the Westphalian Peace in 1648 following the results of the Thirty Years' War. The interaction between cities, communities, regions and countries along convenient routes of communication across & along river basins and watersheds, sea coasts and shipping has always been one of the key factors for sustainable socio-economic and spatial development, as well as for peaceful relations.

As states and borders between them were emerged, this interaction increasingly branched out into interior and international. And security, regulatory, border, smuggling-customs, and sometimes xenophobic barriers made the transfrontier cooperation (TFC) additionally complicated. More often than not, this happens even against the economic and social interests of communities, regions, and countries.

Therefore, the EU development systematically unites the modern revival of the "Europe of Regions" and inter-territorial cooperation with minimization of the inter-state barriers negative impact, which has been the focus of the Madrid Convention under the aegis of the Council of Europe for its member states since 1980 and, subsequently, the activities of the Association of European Border Regions (AEBR) and the Assembly of European Regions (AER). This approach still remains as the basis for TFC between countries, regions and communities of the European continent in accordance with their national legislation and common rules agreed upon by each state when it ratifies this Convention and its additional protocols.

For those countries, that chosen the CIS after the "destroyka" of the USSR and the Warsaw Treaty, the TFC had to become one of the most effective means to promote European integration. It was determined among the main priorities of cooperation with the EU and began to be actively implemented in Ukraine through continuous chain of joint Euroregions along borders of Ukraine with neighboring EU countries: "Bug", "Carpathian", pilot "Upper Prut", "Lower Danube" and Ukrainian-Moldovan "Dniester" (Fig. 1-a).

Basing on the analysis of the first cross-border projects in Ukraine & CIS achievements, as well as of the aforementioned chain of joint Euroregions and discussion by the Working Group on Interregional and Cross-Border Cooperation (CBC) of the Central European Initiative (CEI), the main tasks of the initial Concept of State Regional Policy included the simultaneous provision of internal cohesion and TFC, namely:

- strengthening the economic integration of regions using the advantages of territorial division and cooperation of labor, which is one of the main factors in increasing the competitiveness of the state for international markets;

- establishing international cooperation in the field of regional policy, approximating national legislation on this issue to EU norms and standards, as well as developing TFC as an effective means of strengthening interstate relations and solving regional problems.

The current state of interterritorial interaction of Ukrainian communities and regions with partners in the EU covers a wide range of this cooperation ties and forms, which over the past decades have been supplemented by such fundamental priorities as, in particular, Energy and Informational-Communication-Security. At the same time, as a result of the decentralization reform, internal cohesion and interterritorial cooperation between Ukrainian entities have also been activated on the basis of the provisions of the legislation on cooperation of territorial communities.

Such vision of the strategic role of TFC in the Regional Policy was supported at the first field meeting of the Ukraine-EU Parliamentary Committee, by the World Bank, and later, at the proposal of the Ministry of Regional Development, when concluding a Memorandum of Cooperation with the European Commission.

The buildout of TFC, including development of the Law "On Transfrontier Cooperation" initiated in 2000, was based on the Madrid Convention and its two additional protocols. However, during the EU enlargement, this "soft" instrument turned out to be insufficient to solve the common CBC problems of EU members in the field of simultaneous application of different requirements of national laws and common EU legislation (Acquis communautaire), as well as support means of the Structural Funds, Interreg and other EU instruments.

For the further development of TFC, the EU initiated the formation (mainly on the basis of Euroregions) of European Groupings of Territorial Cooperation (EGTC) in 2006 by Regulation No. 1082/2006 . The aim was to facilitate and improve the conditions for TFC in cross-border, transnational, interregional and interterritorial forms of cooperation of EU members. EGTC. This provides for the appropriate legal personality of juridical entities, which participants may become not only states, regional or local authorities, but also public organizations or other interested legal entities, which allows for the widest possible consideration of the interests of all residents acting on the territories of EGTC participants .

Thus, after 2006, TFC associations initiated by Euroregions acquired two separate regulatory frameworks and funding opportunities. The updated Law of Ukraine defines the participation of Ukrainian entities in them in the following forms:

EGCs – European Euroregional Groupings in accordance with the III (Utrecht) Protocol to the Madrid Convention , which do not provide for funding mechanisms from EU instruments;

EGTCs – which are formed and operate in accordance with the amendments made by Regulation No. 1302/2013 (no official translations of the said regulations into Ukrainian have been found).

In the process of preparing EU Regulation No. 1082/2006 and its discussion with Ukrainian participation in cooperation with the CEI and the AEBR & with the Institute of International Sociology in Gorizia (ISIG), the following provision was included in paragraph 16 of the preamble to this EU act: " The adoption of a Community measure allowing the creation of an EGTC should not, however, exclude the possibility of entities from third countries participating in an EGTC formed in accordance with this Regulation where the legislation of a third country or agreements between Member States and third countries so allow".

On these grounds, the need for Ukrainian integration into the EGTC was initiated in the Resolution of the Verkhovna Rada of 27.06.2007 No. 1242 based on the results of Parliamentary Hearing "On the intensification of cooperation between Ukraine and the EU within the framework of Euroregions and the prospects for TFC". The aim was to develop a regulatory, legal and informational & methodological basis for involving Ukrainian entities and participants of the TFC into creation of new or inclusion in existing EGTCs, which are formed, operated and financed by the EU exclusively in accordance with the Acquis communautaire and the legislation of the EU member states on their territory. The relevant proposals were presented on 04.06.2010 at the 5th meeting of the Consultative and Advisory Council on the Development of Euroregions and TFC under the Ministry of Regional Development of Ukraine.

In the subsequent multilateral discussion on the EGTC system further development, these Ukrainian proposals were presented as a part of attempts to develop an EU Strategy for the Carpathian Region, e.g. in the EU Committee of the Regions on 05.10.2010, 25.11. 2011, 28.05.2013 and 25.11.2015.

A significant improvement in the conditions for Ukrainian participation in the EGTCs was opened by the EU Regulation 1302/2013 adopted in 2013. In particular, it became possible to create an EGTC by only one EU Member State together with participants from third countries that have a common border with the EU and fall within the scope of joint cross-border or transnational programmes of European Territorial Cooperation. This Regulation also simplified and accelerated the procedure for creating an EGTC, and defined its constituent agreement as the main document regulating the core aspects of the functioning and management of the EGTC, and also expanded the list of its possible participants, including certain groups of private individuals.

Even before the final adoption of Regulation 1302/2013, the Chernivtsi region and the Suceava county of Romania, under the auspices of the pilot Euroregion "Upper Prut", began preparations for the formation of the EGTC "Trans-Bukovina" (Fig. 1-b). But the retrograde processes regarding the Association Agreement, which led to the Revolution of Dignity, blocked this process. The causes and consequences of those events are easy to understand from Fig. 1-c). The curtailment of European integration processes based on the achievements in joint Euroregions with EU countries occurred simultaneously with the rapid

development of the TFC in eastern Ukraine, which resulted in the map of aggression in 2014 and a full-scale war in 2022.



Fig. 1 a) – a continuous system of joint Euroregions of Ukraine with EU countries; b) an agreed project for the formation of an EGTC based on the pilot Euroregion "Upper Prut"; c) the russian vision of the TFC.

The basis for this vision is the Complex of Measures for the Implementation of the Minsk Agreements of February 12, 2015 (paragraph 6 of the notes to paragraph 11) with further development in the original version of the Regulations on the Office of the President of the Russian Federation for CBC (decree of October 2, 2018 No. 559):

“4. The main tasks of the Department are:

- a) ensuring the activities of the President of the Russian Federation on CBC with the Republic of Abkhazia, the Republic of South Ossetia and Ukraine, as well as on behalf of the President of the Russian Federation with other neighboring states”.

Following the outcomes from discussions on modern opportunities for the formation of EGTCs, summarized in the Resolution of the Verkhovna Rada of September 21, 2016 No. 1537, based on the results of Parliamentary Hearing "TFC as a factor in Ukraine's European integration processes", at the interregional level and in accordance with the common priorities of the EU Strategy for the Danube Region and the Three Seas Initiative, a two-level model (P.32) for further advancement to EGTC with Ukrainian participation.

1. Introduction .

1.1. The State Program for the Development of International Territorial Cooperation in 2025-2027 (hereinafter referred to as the Program), based on the Progress Report of Ukraine within the framework of the EU Enlargement Package in 2024, emphasizes the importance of establishing contacts at the inter-territorial level regarding EGTC for the efficient implementation of multi-level governance and the EU cohesion policy on the principles defined by Chapter 27 of Title V of the Association Agreement, Article 448, which determines the priority of such “cross-border and regional elements of, inter alia, transport, energy, communication networks, culture, education, tourism, health and other areas covered by this Agreement which have a bearing on cross-border and regional cooperation. In particular, the Parties shall encourage the development of cross-border cooperation in regard to modernization, equipping and co-ordination of emergency services”. At the same time, the Program emphasizes “the problem of the unsatisfactory level of cross-border mobility, the use of cross-border public services with the Member States of the European Union and the Republic of Moldova, which hinders TFC”.

1.2. In this regard, the Programme for the Implementation of International Territorial Cooperation considers it necessary to introduce European approaches to regional development, as well as means of preparing Ukrainian territorial communities for the future management and use of resources from EU investment and structural funds. Therefore, the formation of an EGTC with Ukrainian participation is considered the next stage of activating the processes of partnerships establishing between Ukrainian territorial communities in all regions of Ukraine and municipalities of foreign countries on the basis of concluded partnership agreements, as well as within the framework of informal contacts between local governments of Ukraine and local executive authorities of foreign countries. One of the key tasks is to transform such partnerships into sustainable mechanisms of mutually beneficial cooperation and the

implementation of joint projects in areas of mutual interest. The EGTC is one of such mechanisms that continues to be improved and supplemented, in particular in 2025 by the EU's work on the BRIDGEforEU Border Regions Development and Growth Toolkit.

1.3. The Program emphasizes that “in the context of Ukraine's future membership in the EU, such bodies will become one of the key institutions for implementing cohesion policy, building a system of integrated territorial (multi-level) governance, developing border areas, and effectively using EU funds”. At the same time, the Program (at least 20 years later) considers the principle (P.214) laid down in 2006 as the basis of the EU strategy for the Neighborhood and Partnership Instrument (ENPI) programs .

It “provides comprehensive measures implementation aimed at enhancing the participation of local executive authorities, local self-government bodies of Ukraine and/or their associations in international territorial cooperation, in particular: institutional strengthening of international territorial cooperation system coordination using multi-level governance mechanisms, stimulating the development of international territorial cooperation institutions, building international partnerships at the regional and local levels, strengthening the capacity of international territorial of institutions” with “optimization of the financial resources use and their targeting to support projects with a high multiplier effect and compliance with national, regional and local strategic priorities”.

Such an approach should have an advantage over the current almost all-encompassing “providing support to individual initiatives of international territorial cooperation subjects and participants, further expanding of partnerships list without focusing on their transformation into joint implemented projects in mutually beneficial areas, demonstrating local successes without forming a joint coordination and information platform for international territorial cooperation and conducting constant monitoring of the needs and problems of the international territorial cooperation development”.

1.4. To this, the key objectives of the Program, aimed at strengthening the institutional capacity of international territorial cooperation subjects and participants, include:

- development of the mechanisms for the international territorial cooperation subjects participation in the activities of the international territorial cooperation bodies, in particular EGTCs;
- integration of Ukrainian subjects and participants of international territorial cooperation into European cooperation networks, effective communication channels establishment between regions in order to disseminate the experience of European integration and to implement best practices of local self-government and regional development;
- strengthening the participation of regional development agencies in international territorial cooperation.

1.5. According to the EU Report on the Integration of Ukraine of 04.11.2025, it is necessary to “make with the local-level strategic planning process further efforts should be taken to streamline and clarify the content and structure of local strategic documents, to facilitate their digitalization through the Geographic Information System and to link them with adequate financing lines aimed at simplifying current planning system for regional and local development policy should be fully aligned with the ongoing Public Investment Management reform, with defined milestones toward the establishment of a coordinated and coherent system of planning which considers strategic, spatial and budgetary planning”(P.40), which has been proposed 25 years ago for the system of Euroregions of Ukraine (P.82).

2. Prerequisites and regulatory-legal ground.

The objectives and measures for the Program implementation foresee the development in 2026 of the Methodological Recommendations for the Ukrainian entities of international territorial cooperation participation in the creation of an EGTC or for joining it.

Therefore, the proposed Model can be considered as the first "draft" of the foreseen Methodological Recommendations (MR) development following provisions of the previous MR, approved by the order of the Ministry of Regional Development of 27.01.2009 No. 46 and of the report at the meeting of the Consultative-Advisory Council on the Development of Euroregions and TFC of the Ministry of Regional Development on 04.06.2010. These proposals were taken into consideration also for EGTC “Tisza” establishment, as the first “laboratory” of such formations in Ukraine. taking into account the previous attempt in Chernivtsi region (Fig. 1-b)), as one of the first “laboratory of the Europe of Regions and for transfrontier clustering”.

The proposed two-level model involves:

2.1. Formation of the Ukrainian part of the EGTC as a legal entity - an association of entities and participants in TFC cooperation with the possible involvement of other necessary parties, which is created and operates under the legislation of Ukraine;

2.2. This Ukrainian part integration into the EGTC legal entity , which is registered, operates and financed on the territory of an EU member state under the national legislation of that country in accordance with the requirements of the Acquis communautaire.

3. Step-by-step model for creating and registering an EGTC.

3.1. Formation of the Ukrainian part of the EGTC .

3.1.1. The following legislative, regulatory and methodological acts and documents of Ukraine should serve as the regulatory and legal basis for the formation of the Ukrainian part of the EGTC, as well as for its integration into the EGTC, which is registered and operates on the territory of an EU member state, and for its further operation and financing:

The Constitution of Ukraine and international treaties of Ukraine that regulate relations in this area, and the binding consent of which has been granted by the Verkhovna Rada.

Budget Code of Ukraine , in particular, of item 13, part 3 of Article 29.

Law of Ukraine "On Local Self-Government", in particular, part 2 of Article 15, paragraphs 21-3, 33, 33-1, 33-2, 43 of part 1 of Article 26; items 1)–3) of paragraph a), paragraphs 1), 3) of paragraph b) of Article 35; item 14) of part 4 of Article 42; paragraph 15-3) of part 1 of Article 43.

Law of Ukraine "On the Principles of State Regional Policy" in part of paragraphs 6), 7) of part 2 of Article 13; paragraph 9) of part 7 of Article 19

Law of Ukraine "On Cooperation of Territorial Communities" .

Law of Ukraine "On International Territorial Cooperation of Ukraine" in part of Articles 1; 5 part 2; 6 - 7; 9 - 12; 14; 16-17; 19.

Law of Ukraine "On Local State Administrations" in part of Articles 13 part 1, item 11) and 26, item 3.

Sample forms of agreements on territorial communities cooperation and of additional agreements on joining cooperation, approved by order of the Ministry of Infrastructure dated 05.04.2023 No. 217 .

Order of the Ministry of Regional Development and Construction of 27.01.2009 No. 46 .

Methodological recommendations on international municipal partnership .

Intermunicipal and international cooperation of territorial communities .

3.1.1.1. In addition to this general regulatory and legal basis, dependly of the selected and agreed priorities, tasks and specific project areas of the EGTC and its for Ukrainian participants, the provisions of the current legislative, regulatory and methodological documents of Ukraine or a specific sectoral focus (in particular, transport, energy, information and communication, etc.) should also be applied, for example, the MR on cooperation in the field of Waste Management, taking into account changes made in accordance with the plans for their harmonization with the Acquis communautaire, including also pilot developments.

3.1.2. The preparatory stage should begin with an analysis of existing external and internal prerequisites and opportunities (in particular, using SWOT and cluster analysis and the Technology Foresight approach developed by UNIDO). This should be carried out by each individual potential subject and/or participant of TFC, as well as in the context of their partnership/association, in accordance with the regulatory and legal framework for implementing the requirements of the Law of Ukraine "On Cooperation of Territorial Communities".

At the same time, possibilities for professional and informational-methodological support of the further activities by one's own efforts and/or by involvement/partnership with appropriate specialized structures, in particular, regional development agencies, should be preliminarily determined.

3.1.2.1. The initial information for outlining the areas of activity of the EGTC (by some analogy with the choice of main and additional EU NACE (Statistical Classification of Economic Activities – KVED in UA codes when starting a business) should be the priorities, goals and objectives of strategic documents, as well as reports on their strategic environmental assessment - from basic (see 1.1.), macro-regional, in particular, EUSDR and 3 SI (P.211), and national strategies of regional and sectoral development with critical consideration of specific local-level strategies.

At the same time, prioritization should be given to Geo-Spatial factors, such as: Geo-Landscape (including resource, basin, relief, technogenic and security etc.), existing and prospective features (due to attraction to transport and energy corridors, modern trends in relocation and migration, agro-forestry, touristic-recreational potential & so on), while simultaneously taking into account development trends in countries, regions and communities with which cooperation in the EGTC is envisaged.

An additional factor in determining the prospects of TFC and the possibility of forming an EGTC is the identification of ties with potential partners and lobbyists at all levels: from family links in the involved communities and existing diasporas (P.32) till historic relations and current common interests of the regions.

On these grounds of the own prospects and opportunities for inter-territorial cooperation under the toolkit of the Law “On Cooperation of Territorial Communities” should be formed and preliminarily agreed upon an initial vision of the prospects for the formation of the Ukrainian part of the EGTC.

3.1.3. Registration of the Ukrainian part of the EGTC.

3.1.3.1. After preliminary determination of prospective priorities, goals and objectives of the EGTC creation from the Ukrainian side, potential Ukrainian partners begin the selection of possible co-founders of a joint EGTC in EU countries. First of all, they are existing TFC entities and participants in joint Euroregions, in partnership relations (in particular, inter-municipal), according to the relevant recommendations search, in particular - INTEREG data bases etc.

3.1.3.2. On the above-mentioned basis and in accordance with the provisions of the Laws “On Cooperation of Territorial Communities”, “On Local Self-Government”, “On International Territorial Cooperation of Ukraine” and their subordinate regulatory legal framework, together with the opportunities provided by the legislation of Ukraine and international practice for the creation of national and international associations, the principles of functioning of the Ukrainian part of the EGTC are determined.

3.1.3.3. On these grounds, relevant initial contracts/agreements are concluded and registered between Ukrainian entities and participants in accordance with the legislation on cooperation of territorial communities and with partners in EU countries in accordance with the legislation on international territorial cooperation of Ukraine , which establish agreed prerequisites for the further formation of the EGTC.

3.1.3.3.1. Agreements on cooperation between territorial communities, as well as between territorial communities and other territorial and government structures in Ukraine, aimed at creating/joining an EGTC, must be concluded in accordance with the provisions of Articles 1, 5–11 of the Law of Ukraine “On Cooperation of Territorial Communities”, guided by the sample forms approved by the order of the Ministry of Infrastructure dated 05.04.2023 No. 217, and must be agreed upon and registered in accordance with the procedure established by the Ministry of Reconstruction of Ukraine.

3.1.3.3.2. Agreements on international inter-territorial cooperation aimed at the creation/accession to an EGTC must be concluded in accordance with the provisions of Articles 15, 26, 35, 42 and 43 of the Law of Ukraine “On Local Self-Government”, guided by the sample forms approved by the Ministry of Reconstruction and registered in accordance with the procedure approved by the Cabinet of Ministers of Ukraine.

3.1.3.4. On the basis of the regulatory and contractual framework thus established, a national association is created and registered in Ukraine under the legislation of Ukraine, which becomes the Ukrainian part of the EGTC. Its main functions are:

- generalization of priorities, goals and objectives of internal collaboration and TFC of association members and their further necessary adjustment for the permanent development and coordination of project initiatives that meet the needs of association members and national & international factors of their implementation;

- formation of project applications agreed upon by the Ukrainian side and with the European participants of the EGTC, as well as proposals to facilitate their implementation, including initiating necessary changes in the national and European regulatory framework;

- early identification and coordinated formation of sources for joint projects financing by their participants, at the expense of European funds and other available appropriations in accordance with the provisions of the budget legislation of Ukraine and EU norms;

- of Ukrainian project applications for approval by the EGTC and assistance in their final approval and submission by applicants and project partners to the relevant donor structures and programs of the EU and Ukraine;

- representation and protection of the interests of association members during the consideration, submission and final approval of joint projects;

- receiving financial (grant) revenues from the EGTC for joint projects and transferring them to applicants and participants in these projects in accordance with approved budgets and estimates;

- organizational and methodological support for the timely and high-quality implementation of project tasks by applicants and participants, submission of reports and implementation of audit actions for the proper use of project’s funds and correct reimbursement justified expenses;

- proactive integration of the results of ongoing joint projects and new project initiatives of the Ukrainian side into the priority areas of regional, national and international programs and structures (in particular, EUSDR, 3SI etc.) to ensure maximum support for their implementation and continued implementation in subsequent projects.

3.2. Integration of the Ukrainian part into an EGTC, which is registered, operates and financed in the territory of an EU member state.

3.2.1. Two possible forms of formation/joining an EGTC with Ukrainian participation are envisaged:

3.2.1.1. Joining the Ukrainian association to the already formed EGTC structure as an additional co-founder or participant under already concluded regulatory and contractual relations.

3.2.1.2. The establishment in the EU country(ies) of a similar national association(s) and establishment by them of an international association – the EGTC itself, which is registered and operates in an EU country under the national legislation of that country in accordance with the requirements of the *Acquis communautaire*.

Among the several advantages of option 3.2.1.2, it is worth highlighting its maximal flexibility regarding the quite probable introduction of changes/expansion of the circle of EGTC participants, both at the intra-national level and regarding the accession of other countries and of their territorial participants.

3.2.2. All further procedures for the formation, registration of the EGTC by the EU Committee of the Regions, operation and financing are carried out by the international association - EGTC, in which the Ukrainian national association participates as its co-founder on the basis of the statute and regulations that comply with the national legislation of the country of the EGTC registration and the *Acquis communautaire*.

The content and mechanisms for the formation of an EGTC under the proposed model, registered in an EU member state and operating under the legislation of that country and the *Acquis communautaire*, are developed and implemented with the participation of the Ukrainian side, in particular in accordance with paragraph 1 of Article 3, Articles 4(3- a), 4- a and 7-8 of the EU Regulation No. 1082/2006, as amended by EU Regulation No. 1302/2013.

It should be noted that, according to paragraph 10 of the preamble to the latter Regulation, the nature of the activities of such an EGTC should be focused primarily on the objectives of the EU Cohesion Policy, since any objectives of development cooperation or economic, financial and technical cooperation between only one Member State, including its outermost regions, and one or more third countries shall be merely ancillary to the objectives of territorial cooperation between Member States, including their outermost regions, based on the EU cohesion policy.