

**EGTC Developments on the Ground:
added value and solutions
to problems**

Executive Summary

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Executive Summary

The objective of this study is to provide an overview of the state of play of the European Grouping of Territorial Cooperation (EGTC), demonstrate the added value of the EGTC at policy level and on the ground, and contribute to the discussions on the revision of the legislation and to the ongoing work on multilevel governance. The methodology combines factual research and survey of the established EGTC. The study gives an update on the adoption of the national provisions, provides an in-depth description of ten case studies, summarises key findings, trends and patterns, and makes concrete recommendations.

The proposal for the EGTC grew out of a political recognition of the need for a legal structure within which public, and indeed private, bodies from different Member States could cooperate. The requirement was particularly acute where public expenditure was engaged in cross-border projects.

Progress in the adoption of the national rules as favourable condition for the set-up of new EGTCs

The EGTC regulation (1082/2006) was adopted on 5 July 2006. The Member States were requested to have their national and regional provisions adopted by 1 August 2007. The actual implementation procedures have taken longer than originally anticipated:

23 Member States have now completed the implementation process. A first group of countries (BG, HU, UK, GR, PT, RO) adopted the EGTC already in 2007. A second group (DK, EE, ES, FR, LT, PL, SK, SI) followed in 2008, while a third group (CY, CZ, FI, IE, IT, LV, LU, NL, SE) completed their processes in 2009. As of March 2010 AT, DE and BE have yet to complete their federal processes, and MT has not implemented the Regulation.

Developments on the ground: increasing variety of EGTCs established

- **Eurométropole Lille-Kortrijk-Tournai EGTC**, the first EGTC established in January 2008, offers a framework for cooperation between significantly different authorities from three different administrative levels in Belgium and France. Its territory constitutes de facto an extended urban area with a population of around two million. The EGTC includes 145 municipalities, the central French state, a French region and one department, the Belgian federal state, the regions of Flanders and Wallonia, and the Walloon and Flemish communities. Its working languages are Dutch and French, and while its official headquarters are in France, French authorities accepted the EC regulation as being the premium law. This allows for staff to be hired under Belgian law. This EGTC can trace its organisational roots back to a 1991 standing conference (COPIT) for cooperation between local authorities.
- The **Ister-Granum EGTC** includes 51 Hungarian and 38 Slovakian local authorities from the Hungarian-Slovakian border region around Esztergom. Founded in September 2008, it was the second EGTC to be created. Its primary task is the implementation of cross-border cooperation programmes and projects co-financed by the European Union. It also sees itself as having a

representative role making an input into EU decision-making, and plans to open its own representation in Brussels.

- The **EGTC Galicia-Norte de Portugal** associates the Xunta de Galicia (Spain) and the Comissão de Coordenação e Desenvolvimento Regional do Norte (Portugal). The ECTC was founded in October 2008, building on the Spanish-Portuguese border Working Community, established in 1993. This EGTC brings together authorities with different degree of devolved competences. It has a wide brief and is involved in the management and implementation of the Operational sub-programme.
- The **Amphictyony EGTC** was founded in December 2008 to provide a legal entity for cooperation between 63 local authorities from 9 Mediterranean countries which began in 1991. The current members are 42 Greek, 7 Cypriot, 3 Italian and 1 French municipality. It plans to extend its membership and is open to entities from non-EU Member States. It has drafted a White Paper for members on environmental issues including sustainability and energy efficiency.
- The **Karst-Bodva EGTC**, registered in February 2009, brings together local authorities from the Gömör-Torna karst and Bódva valley area on the Hungarian-Slovakian border. The precedent has been the Kars Euro region, created in 2001. It faces a number of challenges in the start-up phase in terms of its finances, its relations with neighbouring local and regional authorities and their national administrations. Problems with language skills are reported.
- The **EGTC Duero – Douro** was founded in March 2009. The EGTC was developed from the Spanish-Portuguese border working community, created in 1993. It brings together 188 local authorities (NUTS III), two associations, one autonomous body and two universities (ca. 120 000 inhabitants). This EGTC has been experiencing some problems concerning eligibility in different EU calls (apart from Interreg).
- The **West-Vlaanderen/Flandre-Dunkerquerque-Cote d'Opale EGTC** was registered in late March 2009. Its French members include the national state, the Nord-Pas-de-Calais region, the Nord and Pas-de-Calais departments, and the Dunkirk Urban Community. Amongst its Belgian members there is the Federal state, the Flanders Region, and the Province of West-Flanders. It has evolved from decades of cross-border cooperation reinforced through the INTERREG programmes. This EGTC is seen as a laboratory of multilevel governance, and as a platform to promote the area's interests.
- The creation of **Eurorégion Pyrénées-Méditerranée EGTC** is largely a question of establishing a legal entity for a process of cooperation and action which has been jointly undertaken by two French regions (Midi-Pyrénées and Languedoc-Roussillon) and two of Spain's *autonomous communities* (Catalunya and Illes Baléars). The EGTC was registered in August 2009 on the basis of the Euroregion which had been created in 2004¹ to serve 13 million inhabitants. Its four constituent members have empowered it to develop and implement programmes in different

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The Euroregion included also the Spanish autonomous community of Aragón.

sectors. The EGTC intends to represent and promote its interests at different levels and in different fora.

- The **EGTC Strasbourg-Ortenau** was established in February 2010. The EGTC is already on the way to hire staff. It consists of the French Communauté Urbaine de Strasbourg, the German Landkreis Ortenau and the cities of Offenburg, Lahr, Kehl, Achern, Oberkirch. This EGTC is characterised by particularly strong ties between the area terms of economic integration, the existence of European institutions and a remarkable path towards civic integration. Policy-makers at national level provided significant backing for the initiative.
- The **EGTC Hospital de la Cerdanya**, created in April 2010, represents a particularly interesting and challenging venture. It is a new way of governance for a hospital with immediate impact on the population of a cross-border catchment area in a valley with about 30 000 inhabitants (17 000 on the Spanish side and 13 000 on the French side). The partners involved are in Spain the Catalan Government and in France the Ministry of Health, the National Health Insurance and the Regional Agency for hospitals of Languedoc-Rousillon.
- The **EGTC Grande Region**, set up in April 2010, represents the first example of an EGTC acting as Managing Authority (MA) for a cross-border programme. The starting point was the decision to set up a cross-border cooperation programme involving four Member States. It was not easy to achieve a decision on the distribution of functions among the participating countries. Thus the EGTC was considered as an interesting option.

Notice on the creation of the **EGTCs ZASNET, ARCHIMED and UTTS** was received when the manuscript of this study was completed: *EGTC ZASNET* is based in Bragança (PT), its partners come from Portugal (associations of municipalities of Terra Fria do Nordeste Transmontano and Terra Quente Transmontana) and Spain (provinces of Zamora and Salamanca, and city of Zamora). The EGTC intends to promote the cross-border relations between the members in the fields of the environment, culture, tourism and economic development, implement joint projects, promote the territory outside and generate synergies to invert the negative demographic tendencies of the area. The *EGTC ARCHIMED* (Archipelago Mediterraneo) has been formed by Sicily Region (IT), the government of Illes Balleares (ES) and the Larnaca District Development Agency (CY). The official seat of the EGTC has been established in Taormina (IT). The EGTC aims to create a stable cooperation room between Mediterranean islands on the territory of Italy, Spain and Cyprus; the promotion of common interests towards the European Union, the exchange between its members and the implementation of programmes, projects and actions of territorial cooperation. The activities will take place in the fields of sustainable development, rural development, fisheries, transport, culture, tourism, innovation, territorial cooperation energy and migration. Integrating partners from outside the European Union: the *EGTC UTTS* has been set up by local authorities from Hungary, Slovakia and Romania. The priority objectives EGTC are to promote the reinforcement of economic and social cohesion and to promote convergence objectives in the geographic territory comprising the Grouping members. With the achievements of the main goals the EGTC particularly seeks to promote the development of cooperation between the territorial units and various organisations operating in the border region, to improve the quality of life for residents living on its territory, and to reduce regional differences.

Common trends, critical issues and future perspectives

In 2010, EGTCs find themselves in a changed policy background compared to the one, which prevailed when the EGTC regulation was designed, promoted and successfully adopted. The adoption of the Lisbon Treaty has added "territorial cohesion", and "economic and social cohesion" to one of the main aims of the Union and the EGTC instrument itself has been designed for the very purpose of "territorial cooperation". The Structural Funds 2007-2013 programming period is now fully operational and shows an increased tendency throughout the Union for regionalised approaches in programme design and delivery, thus providing new opportunities for EGTCs. The mainstreaming of the Interreg initiative and the promotion of territorial strategies for Macro-regions (Baltic Space Strategy, Danube Space Strategy etc.) also expand this field of activities. Last but not least the EU 2020 will address some of the Lisbon Strategy's shortcomings, which are especially to be found in the delivery mechanisms – a field where EGTCs show significant potentials.

With a view to macro-regional strategies new potentialities of EGTCs are emerging as "frontrunners" to support commitment to shared policies and as a "targeted vehicle" for the longer-term commitment to joint implementation of specific actions. One of the major added values of macro-regional strategies will be a focus on institutions and partners to guide the implementation of priority actions. And here the EGTC - as a new framework for discussion and as an instrument which is open for the implementation of various tasks – could come into discussion as one of the options to develop and strengthen commitment to new shared tasks.

The delay in the implementation of national provisions and the existence of other cooperation mechanisms have effects on the territorial patterns and maturity of EGTC initiatives. Where Member States, due to various reasons, accumulated more delay in the adoption of the necessary provisions, this had a clear impact on the number and maturity of emerging EGTC initiatives. In the cases of EGTC initiatives, which for several years have not succeeded in being established different reasons have been responsible: the delay in the adoption of national procedures has been an issue in particular in Austria and Italy. The changed political background caused by elections lead to a changed political backing in other cases. The overall very complex process of exploring and effectively applying the EGTC instrument has been an issue in most of the analysed cases.

The established EGTCs show a "cooperation trajectory" starting from less formalised cooperation towards more formalised and intense cooperation. Euroregions, eurodistricts, working communities and other formalised cooperation forms have been important predecessors for many EGTCs.

The member structure of EGTCs is generally characterised by a dominance of several regional or many local partners whereas national partners are still fairly rare. The multilevel structure of EGTCs is the exception rather than the rule: most EGTCs form partnerships between the partners from the same administrative level.

While several EGTCs have foreseen a strong role of representative organs, some EGTCs even enforce a stronger participatory approach: some EGTCs have foreseen mechanisms to better link to the civil society (e.g. the Civil Parliament in Ister Granum, a major's conference in Eurométropole

Lille-Kortrijk-Tournai). Decision-making between partners of an EGTC has become an exercise of checks and balances on issues such as staffing, headquarters, languages.

The majority of set-up EGTCs has not yet employed staff although in most cases this is envisaged in the near future. This has been conditioned by the budget of the EGTC and by the different national labour legislation. While annual budgets according to Article 11 of Reg. 1082/2006 have been set up in all EGTCs, the establishment of pluri-annual budgets remains the exception. However, it is important for ensuring the staff of an EGTC. Several EGTCs have specified a specific budget for publicity purposes.

Recommendations for a revision of Reg. 1082/2006

a) Membership

- Promote the participation of third countries in the EGTC by anchoring third countries in Art. 1 and 3 (nature and composition) and by establishing links to the Regulations of the Instrument for Pre-Accession Assistance (IPA) and the European Neighbourhood and Partnership Assistance (ENPI).
- Further explore the possibility to allow the participation of private organisations (Art. 3 of Regulation 1082/2006) under certain conditions.

b) Role of the Member States

- Increase the use and room for manoeuvre of existing EGTC in terms of applicable law (Art. 2) by providing illustrated comments on the implications of the legal hierarchy established in Art. 1 of the Regulation.
- Stress the importance of reaching the decision of approval of an EGTC within the three-months timeframe indicated in the Regulation (Art. 4).
- Provide training and technical assistance to the competent authorities
- Consider further harmonisation of the EGTC regulation with a view to obtain public status of the EGTC in all Member States.
- Avoid a double control regime of public funds (Art. 6) by adequately advising competent authorities.

c) Tasks and missions

- Avoid narrow or misleading interpretation of "tasks" of an EGTC by adjusting the wording of Art. 7.3.
- Support the inclusion of "rural development" as a potential task of an EGTC by opening the wording of Art. 7.3.
- Specify that the EGTC are *de jure* eligible candidates to participate in all the EU funded programmes, without need for additional partners.
- Provide further guidance on Art. 7.4 - exclusion of "police and regulatory powers, justice and foreign policy".

d) Legal Regime

- Draw a clear line between the contents of the convention and statutes by revising Art. 8 (conventions) and Art. 9 (statutes) or by considering abandoning one of the two.
- Facilitate the employment of staff by exploring the possibility to create an employment status that transcends national regulations.
- Provide further guidance for the establishment of an EGTC with regard to Art. 10 (organisation) with a view to promote the principles of proportionality and participative democracy.

- Further explain or revise Art. 10.3 about liability of the EGTC, "even where [its] acts do not fall within the tasks of the EGTC".
 - Provide further guidance for the establishment of an EGTC with regard to Art. 11 (budget) and its practical implication for the hiring of staff.
 - Provide further guidance on Art. 13 (public interest) with a view to explain the interpretations of the European Court of Justice.
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