

EGTC Monitoring Report 2010

Executive Summary

**The executive summary was written by
METIS, GmbH (authors: Jürgen Pucher and Alice Radzyner)
It does not represent the official views of the Committee of the Regions.**

More information on the European Union and the Committee of the Regions is available on the internet through <http://www.europa.eu> and <http://www.cor.europa.eu> respectively.

© European Union, 2011

Partial reproduction is allowed, provided that the source is explicitly mentioned.

Executive Summary

The CoR has introduced a regular monitoring of the development of EGTCs as the European legal entity for cross-border, transnational and interregional cooperation of public entities. Setting-up the EGTC Platform, organising conferences and discussion meetings, publishing a comprehensive website, as well as regular monitoring reports, built the basis for developing further targeted actions. The opinion of the CoR on the revision of Regulation (EC) 1082/2006¹ provides a critical appraisal of the success, the challenges and development perspectives for EGTCs. The opinion will give momentum to the discussion at European level. At the same time it is important to consider the next steps for targeted support to EGTC initiatives.

The number of established EGTCs has increased and a significant number of EGTCs is under preparation in some parts of Europe. Looking at the map of the EU-27, the overall number of both established EGTCs and those in preparation amounts to roughly 30 groupings, and those already constituted gather more than 350 local and regional authorities representing 20 Million of Europeans. The number of EGTCs created and in process of creation still allows for closely monitoring the developments focusing on qualitative information. Through establishing direct contact with persons working in EGTCs as well as representatives of the notification authorities, new insight and in-depth knowledge could be gained.

Review on legal provisions and issues

In early 2011 national legal provisions have been adopted in almost all Member States – only in three countries with a strongly federal structure parts of the legislation are not yet in place. Partners from 11 Member States have decided to become part of an EGTC. A significant number of Member States has gained experience with the legal instrument of the EGTC. Yet, a significant number of Member States still does not have any practical experience with the application of national provisions.

For the first time, representatives of notification authorities and legal experts have also been included in the survey. For some of the EGTCs the notification procedure might have been experienced as a challenge though according to the experiences made in this study this does not refer to the majority of cases. It is important to see that the challenge is mutual. In fact, unprecedented legal implications based on the operation of EGTCs might arise and undergo a legal assessment. Authorities have to learn to understand their counterparts in the neighbouring country while in some cases, the documents presented from the EGTCs simply revealed a need for more concise contents.

¹

Own-initiative opinion of the Committee of the Regions on 'New perspectives for the revision of the EGTC regulation', adopted on 27 February 2011. Ref. CDR 100/2010, rapporteur Mr Alberto NÚÑEZ FEIJÓO (ES/EPP), President of Galicia.

One point has become quite clear on both sides: It is preferable for the notification procedure to run as a dialogue-oriented process. Simplification based on experience facilitates the establishment of a proper dialogue, which in turn is the key to a smooth and quick legal acknowledgement.

The major legal challenges which have been reported by the stakeholders of EGTCs are:

- Lengthy start-up due to the lack of legal clarification. This issue can still be expected in the near future since most Member States do not yet have practical experience with the application of the national provisions.
- Staff recruitment is by far the dominant stumbling block during the start-up phase; secondment could be a solution - i.e. that staff is being employed by a different institution and seconded to the EGTC (which reimburses cost).
- Decision-making structures and their implications for enlargement and operative decisions: Firstly, in most cases the proportions or parity system for member representation within EGTC organs is rather rigid. This might become an impediment in case where enlargements to new members are intended and where decision-making might then turn into a rigid framework which does not allow for flexible approaches. Essential strategic points should therefore require unanimity in decision.
- EGTCs which define themselves as open frameworks for cross-border initiatives might encounter unprecedented legal issues when implementing certain activities. This has for instance been the case in respect to health insurance in an exchange for apprentices

Case Studies

The following table presents the established EGTC²:

Name of EGTC	Countries ³	Major developments on the ground
Eurométropole Lille-Kortrijk-Tournai	<u>FR</u> , BE	The staff situation has been settled and the work on governance for the cross-border conurbation is continuing: work focus is on consolidating work routines, strategy-building and small pilot projects.
Ister-Granum	<u>HU</u> , SK	Based on a long history of cooperation (first Euroregion of the "New" Member States), the EGTC aims to strengthen the economic and social cohesion in its 89 member- municipalities.

² While it has been possible to interview a representative from most EGTCs, some cases are solely based on desk research.

³ The underlined country indicates the country where the legal seat of the EGTC is located.

Name of EGTC	Countries ³	Major developments on the ground
Galicia - Norte de Portugal	<u>ES</u> , PT	Although established in 2008, the EGTC became operational in 2010. Galicia suffered significantly from the economic crisis and the EGTC, the executive arm of the Working Community, largely focused its activities on increasing socio-economic cohesion within its borders.
Amphictyony	<u>GR</u> , CY, IT, FR	The EGTC is a cooperation of 53 municipalities from Cyprus, Greece, Italy and France. The idea would be to one day enlarging the EGTC to third countries such as Serbia, Turkey, Israel-Palestine.
UTTS ⁴	SK, <u>HU</u>	The EGTC had been set up by local authorities from Hungary and Slovakia in January 2009 to promote economic and social cohesion between the territorial units. Aiming to incorporate partners from Ukraine.
Karst-Bodva	<u>HU</u> , SK	This – in geographical terms – rather small initiative in a natural heritage area is still on the way towards the operation phase. Although it is also actively seeking to recruit new members, the eligibility criteria seem very restrictive as several candidates were not accepted.
Duero-Douro	<u>ES</u> , PT	EGTC with the highest number of members, characterized by intense ownership of the initiative by stakeholders. The EGTC is planning to expand to 17 new members. The number of staff has increased. The grouping has largely benefited from a long history of cooperation.

⁴

According to one of the representatives, the functioning of the EGTC has however been problematic and its future seems rather uncertain.

Name of EGTC	Countries³	Major developments on the ground
West-Vlaanderen /Flandre-Dunkerque-Côte d'Opale EGTC	<u>FR</u> , BE	The EGTC benefited from a long history of cooperation between the members. Socio-economic cohesion can be increased thanks to its multi-level governance character. One of the members is currently undergoing important structural changes affecting the EGTC's working.
ARCHIMED	<u>IT</u> , ES, CY	The initiative involves the Isle of Sicily, the Balearic Islands and the Development Agency of Larnaca in Cyprus. Its goals are to create a space of cooperation and exchange in the Mediterranean islands, and to promote the common interests of these in the EU.
Eurorégion Pyrénées-Méditerranée	<u>FR</u> , ES	The EGTC, consisting of 4 regional partners, was set up on the basis of a clear political need for cooperation. Interesting projects in the area of education, business and culture are currently undertaken. The role of the EGTC in regional and national politics is currently being discussed.
Eurodistrict Strasbourg-Ortenau	<u>FR</u> , DE	A large-scale civic participation project and a number of other projects have given momentum to the process and motivated the team. From a legal perspective a recent extension of partnership and questions related to employment have changed the working dynamics of the EGTC.
ZASNET	<u>PT</u> , ES	The grouping has been established in early 2010: one of the first major steps has been a joint declaration in favour of a biosphere reserve in order to foster sustainable development in the joint territory.

Name of EGTC	Countries ³	Major developments on the ground
Grande Région	<u>FR</u> , DE, BE, LU	Now the EGTC acting as managing authority (MA) for a multi-lateral cooperation programme is on the way to establish new routines and re-settling the task-division among the major programme actors (MA, Joint Technical Secretariat, Monitoring Committee)
Hospital de la Cerdanya	<u>ES</u> , FR	The hospital is under construction and will be opened in 2012; it is also becoming the nucleus for various initiatives on regional governance in the health sector.
Eurodistrict Saar Moselle	<u>FR</u> , DE	Based on 10 years of cooperation, the EGTC aims to further the development of a territory accommodating 600,000 inhabitants in the areas of tourism, health and transport. The aim is to achieve common governance and increase French-German cooperation.
Pons Danubii	<u>SK</u> , HU	Established in 2010 the cooperation of cities has appointed their director and is pro-actively seeking to consolidate its base with ETC-funded projects.
Abaúj-Abaújban EGTC	SK, <u>HU</u>	Built on previous and current ETC-projects the grouping has been established in mid-2010. Its operative body is a foundation, which is quite active in cross-border activities in various fields.
Bánát-Triplex Confinium Ltd.	<u>HU</u> , RO	Created in January 2011, grouping 74 municipalities. Implementation of competitiveness and development strategies in the field of agricultural innovation, renewable energy sources, infrastructure and education-training. Aiming to incorporate members from Serbia.

A few groupings are currently in the phase of constitution. The following three examples represent groupings which include new and unprecedented functions of EGTCs:

- The Esch-Belval EGTC – as a coordinating institution for the reconversion of an old-industrialised area of about 600ha at the border between France and Luxembourg.
- The International Marine Parc of Bouches du Bonifacio, between Corsica and Sardinia, aims to the joint management of a bi-national marine reserve located in an international strait.
- The project Interreg IVB NWE ‘Code 24’ foresees an EGTC to ensure the permanence of the cooperation. This project aims to coordinate the economic development and the spatial, transport and ecological planning along the trans-European railway axis (TEN-T) no. 24 from Rotterdam to Genoa.
- The European Urban Knowledge Network (EUKN), developed out of an existing exchange network on urban development issues including 15 Member States.

Major findings

Now after about 3.5 years of actual EGTC development (the first one having been established in 2008) some geographical patterns can be highlighted.

The following **hot spots** in terms of EGTC development have been identified:

- Spain-France-Portugal – EGTCs for regional development in the border areas: the remarkable feature of these border areas is the long-standing history of cooperation as a major incentive. The continuous development process has been paired with strong similarities in language and culture and massive political backing based on treaties which led to various predecessors of EGTCs.
- Belgium-Luxembourg-France-Germany – policies for integrated conurbations: since the 1950ies a continuous process of economic and civic integration could be observed; in this dense and highly integrated area a number of EGTCs has emerged since 2006 - Eurodistricts, Eurometropole - meaning strategy-building, project development and implementation with a view to governance of cross-border territories or conurbations.
- Hungary-Slovakia – EGTC as a vehicle for local and regional development initiatives: in these parts the last year has shown quite vivid developments – next to the EGTC Ister Granum new groupings have emerged – all of the groupings share a strong dependency on funding from ETC projects.
- Mediterranean basin: The EGTC is an instrument to consolidate structures of loose co-operation promoting cultural exchange, political dialogue and advocacy of common interests at EU level.

The functions of established EGTCs can be classified as follows:

- Broad initiatives towards policy development, strategy building and actions that can be related to the Strategy Europe 2020: the overwhelming majority of existing EGTCs is working on a broad range of themes. This type of EGTC takes an exploring and consolidating approach towards new ways of governance and cohesion. It is marked by establishing a new geographical entity and a policy debate between actors who did not meet regularly beforehand. They implicitly take on the challenge to overcome sheer local interests in favour of contributing towards a broader development strategy.
- Management of ETC programmes: one EGTC acts as Managing Authority for a multi-lateral CBC Programme (involving four Member States).
- Provision of public services: The EGTC 'Hospital de la Cerdanya' manages a hospital; to some extent this EGTC represents – as regards financial volume and impact – a particularly strong commitment towards joint action. The facility which will be opened in 2012 marks the end of a long and intense discussion process. The EGTC 'Duero-Douro' plans to pool municipal social services. The EGTC under creation 'Parc Marin International des Bouches du Bonifacio' will make possible the joint management of a cross-border natural park.

Currently also completely new and unprecedented approaches to EGTCs and their functions are being discussed. EGTCs could become a driving element in the future management of ETC network programmes such as INTERACT and ESPON in the period 2013+.

On the one hand EGTCs –as acknowledged legal entities- could strengthen the commitment of Member States towards such programme, while on the other hand, EGTCs could support new approaches to governance and financial management (thus overcoming current impediments in implementation).

Territorial cohesion and governance

Looking at the case studies we elaborated for this paper we observed three major points of how territorial cohesion and governance are tackled:

- Better cooperation between members and partners because EGTC brings with its solid structure all relevant partners at one table.
- Better visibility of territorial cohesion because EGTC enables better visibility of territorial cooperation including more legal, political and economic power is given by this form of cooperation.
- Improvements created by the legal framework of an EGTC.

Options for an extended EGTC communication strategy

The EGTC communication strategy should rest on two main pillars of action:

- To launch and develop the EGTC Platform: the Platform should include not only the -up to around 30- examples of EGTCs existing or in constitution, but a larger group of stakeholders such as supportive organisations, experts and other cross-border structures.
- To contribute to awareness-raising and broader interest in EGTCs: There are currently about 80 ETC cross-border cooperation programmes and about 15 ETC transnational cooperation programmes. These programmes cluster institutions as beneficiaries which have demonstrated an interest in new cooperation approaches – this could be considered as the potential market for EGTCs. The National Authorities should also be targeted.

Given the small number of existing EGTCs, the inherent challenge is to present the EGTC structure as an attractive instrument on the agenda of players, in particular when launching the considerations and negotiations for the next period 2014-2020. Two points which deserve particular interest in the process are:

- To strengthen links to the ETC network programmes (INTERACT, URBACT, Interreg IVB, ESPON): these programmes could provide valuable support to awareness-raising for EGTCs.
- To guide the debate on the role of EGTCs in ETC: Community Funding will remain the key incentive for projects related to territorial cooperation. For a significant part of the existing EGTCs such financing is essential for consolidation. Considering that DG Regio will prepare a report on the implementation of the EGTC Regulation in 2011, and proposals to improve it, a clear position in favour of EGTCs can provide convincing arguments for its added-value, and this will have an impact in the programming process for the next period (2014-2020).

With a view to further target a wider audience, the following set of – quite well-known - tools should be used:

- EGTC Platform website and common consultative platform: the website should act as the central repository of information, including 2.0 communication using a forum online and social networks. The input required for continuous updating should not be underestimated; as regards the intended consultative platform, it is evident that exchange on legal issues will be extremely interesting for stakeholders.
- links to as well as intensified cooperation with existing information hubs: in particular DG Regio, INTERACT, URBACT and Mission Opérationnelle

Transfrontalière (MOT), Association of European Border Regions (AEBR), and other organisations of support.

- expert groups focusing on two fields of expertise: firstly governance, strategy and policy building knowledge and secondly interpretation of legal provisions. The expert groups however do require some clarification as regards the financing of experts since the specific requirements and administrative culture at national level still present a major challenge.
- targeted events, face-to-face contact and regular phone contact remain the key ingredients for successful networking. Even well-managed online platforms cannot replace regular venues for community building. Key target groups are stakeholders of EGTCs, notification authorities, as well as stakeholders and beneficiaries of ETC programmes.
- monitoring will remain a key issue to keep an overview on developments: the current periodicity of one year seems adequate for undertaking a valuable assessment of the developments on the ground. With the expectably growing number of EGTCs, the method of reporting will have to change and could be adjusted in view of providing ready-made input for the website.
