

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and implementation of such groupings’

COM(2011) 610 final — 2011/0272 (COD)

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On 25 and 27 October 2011 respectively, the European Parliament and the Council decided to consult the European Economic and Social Committee, under Articles 175(3) and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and implementation of such groupings

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The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 April 2012.

At its 480th plenary session, held on 25 and 26 April 2012 (meeting of 25 April), the European Economic and Social Committee adopted the following opinion by 172 votes, with 4 abstentions.

1. Conclusions and recommendations

1.1 The European Economic and Social Committee (EESC) shares the European Commission's commitment to the European grouping of territorial cooperation, and supports the approach of the new regulation, which will help to ensure that the EGTC is a more effective, simple and flexible instrument, helping to improve territorial cooperation, which has been strengthened under the Lisbon Treaty. This opinion complements the opinion on the Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal⁽¹⁾.

1.2 The EESC supports the fact that, as a result of this regulation, the legal instrument of the EGTC will be strengthened through common solutions at European level, and believes that in future the EGTC will be a key instrument for cooperation and territorial cohesion.

1.3 The continuity of the EGTC will be ensured in future and thanks to the changes to the regulation, this legal instrument will enable there to be greater flexibility in the application of territorial and sectoral policies.

1.4 The political importance of the regions in Europe is growing. The EESC is fully in favour of the EU's territorial cooperation policies enabling regional authorities to play a new role. Member States participate in the Council and the

EESC hopes that the European regions play an appropriate role. The CoR and the EESC have an important institutional part to play, which the Council must respect.

1.5 The future challenge will be to involve local and regional authorities and civil society in the implementation of the EU 2020 strategy, which requires broad cooperation among the various levels of governance.

1.6 The EESC has always taken account of the added value of multilevel governance systems and thus supports the creation of EGTC, which facilitate the participation of all stakeholders from a macro, euro or cross-border region.

1.7 However, multilevel governance should be strengthened with the participation of economic and social stakeholders. The EESC therefore proposes that the amendment of the Regulation make it easier for the social partners and other civil society organisations to participate in European groupings of territorial cooperation in an appropriate way. The link between the EGTC and the EU 2020 Agenda and the sectoral policies will be improved through civil society's involvement.

1.8 National, regional and local public administration officials involved in EGTC must receive training and there must be exchanges among them; the EESC therefore proposes that the Commission promote organisation of joint training programmes in order to improve administrative and policy management.

⁽¹⁾ See page 49 of this Official Journal.

1.9 The EESC proposes that this regulation, which is very specific, should be approved quickly by the Council and the Parliament without waiting for the whole cohesion policy package to be adopted. This will enable its entry into force to be brought forward.

2. The European Grouping of Territorial Cooperation (EGTC)

2.1 The European grouping of territorial cooperation is a legal form used to establish cooperation structures between public bodies of the European Union. It was created under Regulation (EC) No 1082/2006 in connection with the provisions of the Cohesion Policy for the 2007-2013 programming period.

2.2 During this programming period, cooperation measures which had previously been financed under the INTERREG Community initiative, have acquired the status of Cohesion Policy objective, including those of a cross-border and a trans-national and interregional nature. They have become the third *objective* and come under the heading of European Territorial Cooperation.

2.3 Territorial cooperation is considered to be a key instrument for cohesion objectives and is thus receiving a boost with an increase in financial resources. However, it is also necessary to take parallel steps aimed at removing obstacles which hamper its development.

2.4 Currently, in order to carry out their cooperation activities, public bodies of EU Member States, especially regional and local bodies, have to deal with numerous difficulties of a legal and practical nature, which stem from the diversity of legislation and procedures and have a negative impact on the management of activities.

2.5 The regulation on the establishment of the EGTC ⁽²⁾ was adopted with a view to providing territorial cooperation stakeholders with new tools to overcome these difficulties and improve implementation of territorial cooperation measures.

2.6 This legal form enables groups of bodies working on common territorial cooperation projects and measures, with or without European co-financing, to have their own legal personality different from that of their constituent members and to act on behalf of those members in legal transactions in the European Union.

2.7 With five years having passed and in light of the experience resulting from this, the European Commission has submitted a proposal to amend the regulation, putting forward changes to clarify, simplify and improve the implementation of the EGTC.

⁽²⁾ Under Article 159 of the TEC, currently Article 175 of the TFEU, which provides for the adoption of specific measures, outside the scope of the funds, in order to meet the objective of economic and social cohesion.

3. The proposal for a regulation to amend Regulation (EC) 1082/2006 on the EGTC

3.1 In fulfilment of its undertaking to submit a report on the application of the current regulation, and as a result of the consultations carried out in cooperation with the Committee of the Regions at institutional level and with existing EGTC, the European Commission has confirmed that the EGTC represent a suitable structure for territorial cooperation over the long term ⁽³⁾.

3.2 The legal characteristics of EGTC provide territorial cooperation with 'a formal framework [...] with more legal certainty, a more official basis and a more solid institutional structure'.

3.3 The feedback from existing groupings has been positive. Twenty-six EGTC have been created, with the participation of 15 Member States, bringing together more than 550 regional and local bodies.

3.4 However, a number of shortcomings have come to light, with the uptake of EGTC falling well short of potential and the shortcomings acting as a disincentive for the possible creation of further EGTC. The amended regulation seeks to resolve these problems.

3.5 There have also been problems relating to the establishment and operation of the EGTC and the slowness and complexity of establishment and modification procedures. In addition, there have been unintended situations involving different interpretations by national and regional authorities, with diverging practices emerging.

3.6 The legal and organisational diversity of the bodies that form these groupings and the different levels of authority they possess hamper the search for an arrangement that suits all members.

3.7 There are also differences in the application of the regulation's provisions in various areas, namely limited or unlimited liability, the labour conditions of workers from the EGTC and the system for procurement of works and services.

3.8 In addition, there are difficulties relating to participation of third countries, in the event that it is appropriate to form a grouping between bodies from a single Member State and those of a third country.

3.9 There have also been diverging interpretations of the regulation's content, as in the case of the participation of private entities, which have to be contracting entities for the purpose of public procurement.

⁽³⁾ Report from the European Commission to the European Parliament and the Council. Application of Regulation (EC) No 1082/2006 on the EGTC. COM(2011) 462 final.

4. General comments

4.1 As already stated by the EESC within the framework of the consultation ⁽⁴⁾ on Regulation (EC) 1082/2006, the EGTC is a useful and valuable tool which can contribute to more effective, more active and more visible territorial cooperation.

4.2 Although there are national differences, the regions are going to play a very important role in the future system of EU governance, which the institutions must support.

4.3 The EESC welcomes the new proposed regulation which will enable them to be used more easily and effectively and make EGTC a more useful instrument for regions. The groupings need an instrument which provides European regional cooperation with a sound, structured and legally effective and reliable basis.

4.4 The new regulation will make it easier to create new EGTC which work more effectively, since it consolidates a structured framework with full operational capacity, making it possible to overcome the legal and practical difficulties involved in transnational cooperation activities. It will establish organisational units specifically geared towards planning, coordination and management.

4.5 The EESC believes this represents a new step in promoting cross-border, transnational and interregional cooperation.

4.6 A more ambitious form of cooperation is thus being promoted. The actions co-financed by the European funds under Territorial Cooperation will be placed within the framework of more strategic guidelines and will be based on the added value of the European common interest and have a long-term perspective.

4.7 In future, it would be desirable for cooperation between the regions to develop within the framework of the EU 2020 strategy and for there to be stronger objectives for job creation, improving competitiveness, sustainability, cooperation between businesses, including SMEs, universities and technology centres, etc.

4.8 The EESC is also in favour of territorial cooperation strengthening thematic and sectoral measures between regions and cities.

4.9 The EESC points out that the EGTC already permits forms of cooperation between regional authorities on economic and technological matters which are also relevant to the Europe 2020 strategy. This form of cooperation should be more visible.

4.10 The EESC appreciates the importance of the various projects which cooperation instruments such as the EGTC promote, from the INTERREG initiatives to the establishment of cross-border public services or multi-sectoral strategic plans.

4.11 The EESC supports the institutional role of the Committee of the Regions in monitoring the EGTC and in exchanging good practices. The CoR's EGTC platform must continue its activities following approval of the new regulation. The EESC wishes to cooperate with the CoR.

4.12 The EESC wishes to work together with the CoR so that civil society and the social partners take part in the follow-up and evaluation of EGTC. The Committee calls on the Commission to draw up a report on the application of the new regulation and on the participation of economic and social actors and of civil society in the EGTC ⁽⁵⁾.

4.13 The Committee is also in favour of simplifying the creation of EGTC in future, as well as conventions being approved within six months, although governments have not given their express approval.

4.14 The EESC agrees that EGTC have considerable flexibility in managing infrastructure and services of general economic interest for the benefit of citizens living in the territories of various Member States.

4.15 The EESC points out that territorial cooperation, the main objective of which is to improve economic, social and territorial cohesion, also takes place within the framework of more ambitious high-level initiatives of greater political complexity, such as the macroregions, euroregions and the basin strategies in the integrated maritime policy.

4.16 The EESC stresses that macroregional and interregional cooperation, with the proper functioning of EGTC, can also play a role in meeting the EU's sectoral objectives. The Europe 2020 strategy will undoubtedly receive an additional boost. The regulation should help link EGTC more effectively to the EU's political and financial instruments for sectoral policies.

4.17 The Commission and Member States must make it easier for the outermost regions and overseas territories to use the EGTC, including with neighbouring third countries.

4.18 The EESC, while respecting the principle that EGTC must be established voluntarily, encourages the Commission to play a more proactive role in facilitating, simplifying and improving the EGTC, which must in turn be linked to the strategic objectives of the European Union.

⁽⁴⁾ Opinion on the *Proposal for a Regulation of the European Parliament and of the Council establishing a European grouping of cross-border cooperation (EGCC)*, OJ C 255/15, 14.10.2005, p. 76.

⁽⁵⁾ EESC opinion on *Efficient partnership in cohesion policy*, OJ C 44, 11.2.2011, p. 1.

5. Specific comments

5.1 The EESC regards as appropriate the European Commission's approach in its proposed amendment to the current regulation. The EESC would stress that the EGTC must be simple to use, so that each group of partners configures the grouping and its responsibilities in the way that is most suited to their characteristics, since each grouping of partners has its own specific situation and circumstances, and the EGTC has to be an instrument capable of covering their cooperation objectives.

5.2 Currently, many European regions do not make use of the cooperation opportunities that Community law offers through the legal form of the EGTC, within the framework of EU regional policy. The EESC calls on the European Commission to make a greater effort to publicise and promote this instrument to regional authorities and civil society.

5.3 The principle of simplification, which the Commission wants to incorporate into the future cohesion policy and thus European territorial cooperation, has to be at the core of the various instruments, especially the EGTC.

5.4 The EESC notes that the legal, administrative and procedural complexities act as a disincentive for territorial cooperation stakeholders, especially those regional and local authorities which have more limited administrative tools and scarcer resources.

5.5 The slowness of the administrative procedures to set up an EGTC, and the need to repeat the procedure for every new addition, are incompatible with the dynamism required for cooperation activities and represent a real obstacle to the use of EGTC. The EESC is pleased that these problems are to be solved through the new regulation.

5.6 Flexibility is another desirable feature which is sought by those wishing to set up a cooperation structure, as it enables them to adapt the way it is organised and operates to their specific needs and characteristics.

5.7 The EESC proposes to the European Commission that, in order to facilitate the work of local and regional authorities, it put in place a system of advice, training and for exchanging experience to make it easier to draw up conventions and statutes.

5.8 The EESC considers the measures adopted to avoid digital fragmentation among the public administrations of the EGTC to be insufficient. It is important to guarantee a system of territorial public administrations that is interconnected, interactive and accessible via the Community ISA programme⁽⁶⁾. This will support the added value of multilevel governance systems and the participation of all stakeholders in a macro, euro or cross-border region.

5.9 The EESC is in favour of the convention indicating the labour and social security rules applicable to EGTC staff, as well as the rules on their recruitment and management.

5.10 The EESC wishes to draw attention to the model of multilevel governance that is the EGTC, in which member partners, from various regional, local, national and institutional backgrounds, form governance and cooperation bodies. However, the Committee proposes that the social partners and other civil society stakeholders also be involved.

Brussels, 25 April 2012.

The President
of the European Economic and Social Committee
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⁽⁶⁾ Interoperability Solutions for European public administrations.