European grouping of territorial cooperation (EGTC): clarification, simplification and improvement of the establishment and functioning of such groupings

2011/0272(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 630 votes to 28, with 33 abstentions, a legislative resolution 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.

The European Parliament's position at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Utility of EGTCs: Parliament stressed that EGTCs may have the potential to:

- enhance the promotion and achievement of the harmonious development of the Union as a whole and the economic, social and territorial cohesion of its regions, in particular and to contribute to meeting the objectives of the Europe 2020 strategy;
- contribute positively to reducing barriers to territorial cooperation between regions which suffer from severe and permanent natural or demographic handicaps including the specific situation of outermost regions ;
- strengthen the cooperation between third countries, overseas countries and territories and Union border regions, including through the use of external cooperation programmes of the Union.

Applicable law: the acts of the statutory organs of an EGTC shall be governed by the following: (a) this Regulation; (b) the convention referred to in the Regulation, when it is expressly authorised; in the case of matters not, or only partly, regulated by this Regulation, the national law of the Member State where the registered office of the EGTC is located.

An EGTC shall be considered to be an entity of the Member State where it has its registered office where it is necessary to determine the applicable law under Union or private international law.

Accession of members from third countries or overseas countries or territories: a clear, precise and more comprehensive definition for the participation of third countries was proposed and agreed. Third countries neighbouring the EU **will be able to become members of EGTCs**, including neighbours of outermost regions and overseas territories, irrespective of whether partners from one or more Member States are involved.

The procedures for approval of participation of prospective members from OCTs should, given links between OCTs and Member States of the Union, involve those Member States.

Operations under European territorial cooperation programmes, where co-financed by the EU, should therefore, continue to pursue **cohesion policy objectives**, even if they are implemented, partly or in their entirety, outside the territory of the Union, and, thus, the activities of an EGTC are carried out at least to some extent outside the Union territory.

Participation of stakeholders in private or public law: the EGTCs will be open to all public undertakings providing public services including those who are ruled by private law. The amendments on this point anticipate the **inclusion of undertakings entrusted with the operation of services of general economic interest**, in fields such as, education and training, of medical care, of social needs as regards health and long term care, childcare, access to and reintegration into the labour market, social housing and the care and social inclusion of vulnerable groups should be covered as well.

In order to facilitate the participation of members with limited liability, Member States will be allowed to ask for an appropriate **insurance or guarantee** by a bank or public entity.

Simplification measures: in order to encourage the accession of additional members to an existing EGTC, such amendments should, in the case of a new member from a Member State that has already approved the convention, not be notified to all participating Member States, but only to the Member State under whose national law the new prospective member is established and the Member State where the EGTC's registered office is located. The subsequent amendment of the convention should be notified to all Member States concerned.

Report: by 1 August 2018, the Commission should report on the application of this Regulation, evaluating, based on indicators, its effectiveness, efficiency, relevance, European added value and scope for simplification of the present Regulation.