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

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The Commission presents a report on the application of Regulation (EC) No 1082/2006 on a European Grouping of Territorial Cooperation (EGTC) as amended by Regulation (EU) No 1302/2013 as regards the clarification, simplification and improvement of the establishment and functioning of such groupings. The report assesses the Regulation's effectiveness, efficiency, relevance and EU added value of EGTCs, and scope for simplification.

EGTCs in practice: the report notes that by 31 December 2017, there were 68 EGTCs altogether. The most common EGTC arrangement involves cooperation between 2 and 20 local authorities, with small to medium-sized cooperation structures. EGTCs are concentrated mostly along the Hungarian, Slovak, French, Spanish and Portuguese borders.

In 2017, four EGTCs had members from a non-EU country. As the EGTC Regulation did not explicitly refer to EGTCs with an external dimension until it was amended, a rapid emergence of such EGTCs cannot be expected.

Assessment: the analysis carried out on the basis of indicators shows that **the objectives** of facilitating the foundation of EGTCs, clarifying certain provisions and allowing for more extensive use of the EGTC instrument have been **achieved.**

The main points regarding the **assessment criteria** are as follows:

Effectiveness: the EGTC Regulation has contributed to **clarification and broader use of the instrument**, especially as regards cross-border service provision and the inclusion of non-EU countries. Clarity has been improved in the areas of membership, the participation of authorities from non-EU countries and the relationship between an EGTC's convention and its statutes. The **functioning of EGTCs** has been facilitated, as access to EU funding appears to be easier and changes in the convention (e.g. due to membership changes) have been simplified. Meanwhile the number of EGTC members increased by more than 30% since the beginning of the 2014-2020 programming period. The emergence of EGTCs with an **external dimension will require specific action** from actors at all levels.

The effectiveness of **activities to promote EGTCs** varies strongly from country to country. Further efforts are still needed to enhance the efficiency and effectiveness of the EGTC instrument in fostering cooperation in the implementation of EU policies.

Efficiency: a comparison between EGTCs and other comparable structures under national or international law was drawn. The report indicates that the following were highly valued and advantageous: (i) the **versatility** of the EGTC since the latter can be used for a wide variety of purposes; (ii) the fact that ECGTs have **legal personality**.

Relevance: since the start of the 2014-2020 programming period, the EGTC involvement in European Territorial Cooperation (ETC) has been generally supported by stronger legal links between the EGTC

Regulation and the EU cohesion policy regulations and the overall involvement of EGTCs in cooperation programmes has increased considerably. Nearly half of the EGTCs are now involved in the implementation of ETC programmes. The amendment of the EGTC Regulation has not, however, led to the foundation of new EGTCs to act as managing authorities of ETC programmes. The EGTCs also use very rarely the option of acting as single beneficiary of an operation.

***EU added value**:* European added value is confirmed by many EGTCs when highlighting benefits that they would not realise without the EGTC instrument. Amongst the reasons cited is the fact that as legal entities, EGTCs enable quicker and more efficient decisions in cross-border environments where several authorities are involved. EGTCs are also seen as independent from isolated political decisions that could block the adoption or implementation of useful measures for cooperation areas extending beyond national borders.

Simplification: according to the indicators, the EGTC Regulation led to some simplification. in particular the employment of staff, the division and ranking of an EGTC's convention and its statutes, the membership of various actors and the participation of non-EU members. However, the report states that need to simplify EGTC legislation does not arise solely or even primarily from the EGTC Regulation, but often from national law of the Member States

Proposals for improvement: the report suggests the following:

- facilitating the use of EGTCs through **more information** and **better coordination** between Member States and approval authorities, and more promotion in the context of EU funding instruments;
- **more information for participants**, in particular on legal issues around designing an EGTC and developing its statutes and its convention;
- **standardised requirements and procedures** for greater legal certainty, since the establishment of an EGTC will usually involve several Member States, which may implement the EGTC Regulation in different ways;
- exchanging information and **best practices** between approval bodies, EGTCs and the CoR regarding the content of the EGCT;
- better communication of the EGTC instrument in the context of **EU funding programmes** to promote its use and its access to EU funding

New instruments proposed like the draft regulation on a mechanism to resolve legal and administrative obstacles in a cross-border context will further help the work of EGTCs, as their wholly institutional nature is not suitable for resolving such obstacles.

Lastly, EGTCs have the potential to address other issues highlighted in the Commission communication on boosting growth and cohesion in EU border regions, e.g. facilitating cross-border accessibility or promoting greater pooling of health care facilities.