Basic information

2004/0168(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC) Amended by 2011/0272(COD) **Subject** 4.70.01 Structural funds, investment funds in general, programmes 4.70.05 Regional cooperation, cross-border cooperation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	OLBRYCHT Jan (PPE-DE)	06/10/2004

Former committee responsible	Former rapporteur	Appointed
REGI Regional Development	OLBRYCHT Jan (PPE-DE)	06/10/2004

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
CONT Budgetary Control	The committee decided not to give an opinion.	22/09/2004

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2736	2006-06-12
Economic and Financial Affairs ECOFIN	2726	2006-05-05

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	

Key events

Date	Event	Reference	Summary
14/07/2004	Legislative proposal published	COM(2004)0496	Summary
17/11/2004	Committee referral announced in Parliament, 1st reading		
14/12/2004	Results of vote in Parliament		
16/06/2005	Vote in committee, 1st reading		Summary
21/06/2005	Committee report tabled for plenary, 1st reading	A6-0206/2005	
05/07/2005	Debate in Parliament		
06/07/2005	Decision by Parliament, 1st reading	T6-0280/2005	Summary
06/07/2005	Results of vote in Parliament		
07/03/2006	Modified legislative proposal published	COM(2006)0094	Summary
13/06/2006	Council position published	09062/2/2006	Summary
15/06/2006	Committee referral announced in Parliament, 2nd reading		
22/06/2006	Vote in committee, 2nd reading		Summary
26/06/2006	Committee recommendation tabled for plenary, 2nd reading	A6-0227/2006	
04/07/2006	Decision by Parliament, 2nd reading	T6-0287/2006	Summary
04/07/2006	Results of vote in Parliament		
04/07/2006	Debate in Parliament		
05/07/2006	Final act signed		
05/07/2006	End of procedure in Parliament		
31/07/2006	Final act published in Official Journal		

Technical information

Procedure reference	2004/0168(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2011/0272(COD)
Legal basis	EC Treaty (after Amsterdam) EC 159-p3
Stage reached in procedure	Procedure completed
Committee dossier	REGI/6/36397

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE357.898	18/05/2005	
Amendments tabled in committee		PE359.870	26/05/2005	
Committee report tabled for plenary, 1st reading/single reading		A6-0206/2005	21/06/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0280/2005 OJ C 157 06.07.2006, p. 0096-0308 E	06/07/2005	Summary
Committee draft report		PE374.108	11/05/2006	
Committee recommendation tabled for plenary, 2nd reading		A6-0227/2006	26/06/2006	
Text adopted by Parliament, 2nd reading		T6-0287/2006	04/07/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	09062/2/2006	13/06/2006	Summary
Council statement on its position	09875/2006	13/06/2006	
Draft final act	03627/2006	05/07/2006	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0496	14/07/2004	Summary
Modified legislative proposal	COM(2006)0094	07/03/2006	Summary
Commission communication on Council's position	COM(2006)0308	13/06/2006	Summary
Follow-up document	COM(2011)0462	29/07/2011	Summary
Follow-up document	SEC(2011)0981	29/07/2011	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0062/2004 OJ C 071 22.03.2005, p. 0046-0053	18/11/2004	
EESC	Economic and Social Committee: opinion, report	CES0388/2005 OJ C 255 14.10.2005, p. 0076-0078	06/04/2005	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2006/1082 OJ L 210 31.07.2006, p. 0019-0024	Summary

Delegated acts	
Reference	**Subject**
2018/2880(DEA)	Examination of delegated act

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 13/06/2006 - Council position

The common position, adopted by unanimity, approves the objectives of the proposal and incorporates most of the 41 amendments proposed by the European Parliament at first reading. These include the definition of territorial cooperation, the need to specify the Member States' financial liability, the applicable law and the provision to publish and/or register the statutes of the EGTC.

It should also be noted that the Council decided to follow the European Parliament's suggestion, i.e. replacing, in the whole document, the name of the instrument "European grouping of cross-border cooperation" by "European grouping of territorial cooperation".

The Council decided to follow the idea of the European Parliament to apply to the EGTC the law of the Member State where it has its registered office.

The most significant changes introduced by the common position are outlined below:

- The first significant change concerns the ex-ante control by the Member States when their regions or local authorities intend to set up an EGTC. Article 4(3) foresees that a Member State agrees to the proposed member's participation in an EGCT, unless it considers that such participation is not in conformity with the Regulation or national law (more or less corresponding to the Commission's modified proposal) or is not justified for reasons of public interest or public policy (ordre publique) of that Member State. An appropriate justification of refusal shall always be provided.

- The second significant change concerns the scope of the Regulation. The common position of the Council has added that Member States may limit the tasks EGTCs may carry out without a Community financial contribution. However, this limitation cannot concern the core actions of territorial co-operation.

- The system of financial liability of the EGTC as such and of its members has been reshaped: concerning the organs, it states that the EGTC shall be liable for the acts of its organs towards third parties, even where such acts do not fall within the tasks of the EGTC. The liability of the EGTC in general and the residual liability of its members in case the assets of the EGTC are insufficient to meet its liabilities are now covered by Article 12(2). In principle the members have an unlimited residual liability. However, the national law may exclude or limit the liability of members formed under it.

- A transitional period added for Member States to adapt their national legislation to the requirements of the Regulation.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 13/06/2006 - Commission communication on Council's position

The Commission welcomes the common position adopted unanimously because it maintains the essential objectives of the Commission's revised proposal (following the EP first reading). It introduces a certain number of changes which complete the text with regards to the applicable rules and procedures. Several of Parliament's amendments in first reading are present in the common position, even though with drafting changes to ensure the legal consistency of the text and technical workability of the EGTC. These include the definition of territorial cooperation, the need to specify the Member States' financial liability, the applicable law and the provision to publish and/or register the statutes of the EGTC.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 29/07/2011 - Follow-up document

The Commission presents a report on the application of the Regulation (EC) No 1082/2006 on a European Grouping of Territorial Cooperation (EGTC), which has been fully applicable since 1 August 2007, and is intended to facilitate territorial cooperation, particularly by providing a way to operate across borders, avoiding the blockages potentially created by incompatible legal and administrative systems. The Commission has consistently underlined the importance of effective governance in ensuring territorial cohesion Second progress report on economic and social cohesion, and the European Parliament, in its own-initiative report on Objective 3: a challenge for territorial cooperation, notes that the EGTC works satisfactorily and has met the need expressed by regional and local authorities for structured cooperation covering financing, the legal status of projects and multi-level governance. Specific sectoral reports such as one on sport encourage the use of the EGTC for cross-border, transnational, and inter-regional cooperation.

This report states that experience since 2007 shows that the EGTC instrument responds to clear needs. It has been used for inter alia:

- managing specific projects, whether in receipt of Community funds or not;
- planning development strategies for cross-border and multi-national zones;
- operating facilities of common interest;
- providing a locus for multi-faceted, multi-level communication and cooperation;
- ensuring the visibility and durability of cooperation going beyond ETC programmes.

The existence of this instrument has provided a means of moving from a desire to cooperate to concrete expressions of cooperation. The gradually accelerating move to create EGTCs shows that local and regional entities are finding more and more ways in which EGTCs can help achieve their aspirations. Reactions of existing EGTC to the instrument are positive but uptake to date falls well short of potential.

Scope: the scope of activities currently undertaken by the EGTCs is very broad, ranging from the joint management of natural resources, to improved access to cross-border transport systems, management of services of general interest (such as health or education) and other territorial matters. Many EGTCs plan to implement growth and sustainable development strategies, in line with the Europe 2020 Strategy. EGTC activities in many cases go beyond the implementation of cooperation programmes in the framework of cohesion policy and are now proposing projects for funding under ETC or other EU programmes.

Practical difficulties in the application of the EGTC Regulation: time-consuming and complex procedures are reported as the most important negative drivers when establishing an EGTC. Some EGTCs complained about insufficient awareness of the instrument amongst the national authorities and Commission services when requesting practical information or applying for support. It seems that respect of the three month period for decision by a Member State on an application to create an EGTC is the exception rather than the general rule specified in the Regulation. The document sets out the main problems.

- **Creation of an EGTC**: the legal difficulties linked to the EGTC formation process, mostly stemming from a perception of incompability of differing national rules and a lack of coordination between Member States, are among the most important obstacles discouraging stakeholders from establishing an EGTC. The variation in cross-border structures, local and regional authorities and associations highlights the need for an instrument such as the EGTC. At the same time, this variation creates great problems in applying a single model that will satisfy all the constraints.
- **Differing status of local and regional bodies**: tasks that fall under regional or local competence on one side of the border may be viewed as national responsibilities on the other side.
- **Liability:** the EGTC Regulation allows Member States to take different decisions in the process of national implementation which leads to differences in questions of limited or unlimited liability. The regime may be different in two neighbouring States.
- **Membership of third countries and their regional and local bodies**: the Regulation specifies that members of EGTCs must be Member States, regional or local authorities or public law bodies or their associations, drawn from at least two Member States. However there are several cases where the members or prospective members would see advantages in adding members from a third country or even setting up an EGTC between regions of one Member State and a third country;
- certain reported hindrances seem to derive from a **lack of awareness** of the detail of the EGTC Regulation. For example, there has been confusion between what should be contained in the convention forming an EGTC and what should be included in its statutes. Similarly, the mistaken belief that private entities cannot participate in an EGTC has limited some operations. Some stakeholders have reported delays in the publication process for EGTCs, signalling a possible need for clarification of the notification process.

The Commission envisages a **limited number of specific improvements to the Regulation**.

- ***Amendments to the EGTC Regulation***: these would not require changes in the activity of current EGTCs but would on the one hand adapt the language to the TFEU and on the other be centred on simplifying and accelerating the setting up process and implementation. For example,

EGTCs between public bodies from only one Member State and from non-Member States could be authorised if the scope of the legal act were broadened. A system of tacit response allowing EGTCs to be established in the absence of reasoned objections by national authorities within a reasonable time, might replace the current requirement to respond within three months as a general rule. The purpose of an EGTC could be extended to cover strategy and the planning and management of regional and local concerns in line with EU policies. An insurance-based solution could address the problem of setting-up of EGTCs with limited liability, allowed in some Member States, but not necessarily in neighbouring Member States.

- ***Possible clarifications***: the Commission will make it clearer that the convention establishing an EGTC must state clearly under which laws it will operate, including any provision for exceptions, that private bodies submitted to public procurement rules may be members of EGTCs and that the statutes controlling an EGTC's operation must clearly set out the rules under which it will operate, such as applicable national law for employees.
- ***Improvements linked to other EU regulations and policies***: in its proposals for the revision of Cohesion Policy regulations the Commission intends to ensure that no obstacles are placed in the way of the use of EGTCs. This could enable EGTCs to become more prominent in delivering interventions requiring cooperation among regions in different countries.
- ***Extensive use of EGTCs*** in delivering other Union policies should also be encouraged, whether in the fields of environmental improvement, research collaboration, education and culture or others.
- In the ***revision to Public Procurement Directives*** the Commission will consider how to address problems linked to cross-border procurement encountered by such bodies among others.
- ***Improvements to gathering and dissemination of information***: the Commission intends to collect and distribute information on the implementation of the EGTC Regulation in Member States, and actively collaborate with the Committee of the Regions on the EGTC Platform.
- ***Encourage sharing of know-how, networking and regular exchange*** of views among all the stakeholders concerned for example by a programme like INTERACT.

The Commission believes that these adaptations will allow more extensive use of EGTCs without additional burden on administrations.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 14/07/2004 - Legislative proposal

PURPOSE : to establish a European grouping of cross-border cooperation (EGCC).

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTENT : this proposal has been drafted as part of the cohesion legislative package. The package consists of a general Regulation (**AVC/2004/0163**), together with a Regulation for the European Social Fund (ESF), Cohesion Fund (**AVC/2004/0166**) and the European Regional and Development Fund (ERDF) (**COD/2004/0167**).

The package is completed by this entirely new proposal creating the framework for a cross-border authority to manage cooperation programmes (EGCC).

Taking into account the important difficulties encountered by the Member States, in particular by the regions and local authorities, in implementing and managing actions of cross-border, trans-national or inter-regional co-operation within the framework of differing national laws and procedures, this proposal aims to set out measures to reduce these difficulties.

In order to overcome the obstacles hindering cross-border co-operation, it is necessary to introduce a co-operation instrument at the community level, which allows the creation of cooperative groupings in the community territory, invested with legal personality, called "European groupings of cross-border co-operation" (EGCC). It should be noted that recourse to the EGCC should be optional.

The EGCC shall have the capacity to act on behalf of its members, notably the regional and local authorities of which it is composed.

The tasks delegated to it must be defined by its members, in a convention of European cross-border co-operation. The EGCC must be able to act, either for implementing programmes of cross-border cooperation co-financed by the Community, notably by the structural funds, as well as transnational

and inter-regional co-operation programmes, or for carrying out cross-border cooperation programmes which are at the sole initiative of the Member States and their regional and local authorities, without financial contribution by the Community.

Lastly, the financial responsibility of regional and local authorities, as well as that of the Member States, is not affected by the formation of an EGCC, with regard to both the management of Community funds and national funds

For further information concerning the financial implications of this measure, please refer to the financial statement.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 07/03/2006 - Modified legislative proposal

The Commission has accepted most of the amendments adopted by a large majority in the plenary Session as they help to clarify the text and are in line with the objective of the Commission's proposal.

The Commission has fully accepted 17 amendments. First of all the Commission accepts to rename the grouping into "European grouping of territorial co-operation" (EGTC) throughout the text in order to reflect that the grouping may cover all kind of "territorial" co-operation: cross-border, trans-national or inter-regional.

Then the Commission accepts to exclude financial liability of the Member States when the EGTC is used outside the management of Structural Funds. Furthermore, the Regulation should fix the applicable law which should be the one of the Member State where the EGTC will have its registered seat.

Another 17 amendments are acceptable in principle/substance, but subject to rewording. The Commission agrees to clarify the very objective of the EGTC: either an EGTC is set up to manage a co-operation programme co-financed by the Community, notably under the future objective 3, or it is set up to carry out any other action of co-operation. The Commission suggests that throughout the text the Regulation should distinguish between "powers" or "competences" of the members of an EGTC on the one hand and of a delegation of "tasks" to the EGTC on the other hand.

Concerning a right of supervision and control of the Member States, the Regulation should provide for the appropriate measures. However, the initiative for the creation of an EGTC shall remain with the potential members and no additional obstacles are created. These supervision rights cannot only cover issues concerning the management of funds, but also the right to control whether the members may delegate the execution of the tasks to an EGTC.

The Commission proposes that the law governing the way in which equivalent groupings formed under national law operate in the Member State where the EGTC has its seat applies to EGTC, not only concerning the registration of the EGTC - as asked for by the EP – but also to cover other aspects not regulated by the Regulation.

The Commission proposes to clarify the distinction between the elements to be covered by the convention and those to be covered by the statutes: the statutes cover all the elements of the convention, all the elements mentioned in Art. 5 and additional elements as agreed upon by the members. The convention would cover only the elements enabling the Member States to control whether the members may delegate the execution of the tasks to an EGTC according to the relevant national legislation and if the objective of the EGTC in conformity with this Regulation.

Concerning the definition of "other bodies", the Commission prefers a reference to an existing definition (reference accepted for the Structural Funds in general) than to create a new one.

Furthermore, a group of 2 amendments is only partially acceptable: the Commission only accepts that the convention is notified to the Member States concerned and to the Committee of the Regions. Concerning the compulsory organs of an EGTC, the Commission defines the assembly as a compulsory organ in Art. 6(1).

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 05/07/2006 - Final act

PURPOSE: to establish the tasks of the European grouping of territorial co-operation (EGTC).

LEGISLATIVE ACT: Regulation 1082/2006/EC of the European Parliament and of the Council on a European grouping of territorial co-operation (EGTC).

CONTENT: this Act enables the creation of legal entities, "European Groupings of Territorial Co-operation" (EGTC), which will oversee the implementation of trans-border programmes on the basis of an agreement between national, regional and local administrations. EGCT's have been created in order to help reduce the significant difficulties currently encountered by the Member States, regional authorities and local authorities in implementing and managing actions of territorial cooperation given the differences in national laws and procedures. They form a new element to the reformed Cohesion Policy which is set to last from 2007-2013.

The Regulation has come into force alongside four other related legislative acts. They are:

- Council Regulation 1083/2006/EC laying down the general provisions on the ERDF, ESF and the CF. For a summary of its provisions see AVC/2004/0163.
- Council Regulation 1081/2006/EC on the European Social Fund. For a summary of its provisions see COD/2004/0165.
- Council Regulation 1084/2006/EC establishing the Cohesion Fund. For a summary of its provisions see COD/2004/0166.
- Council Regulation 1080/2006/EC on the European Regional Development Fund. For a summary of its provisions see COD/2004/0167.

They have also been created in response to new provisions which emphasise European territorial co-operation, as set out in Regulation 1083/2006 /EEC on the general provisions of the ERDF, ESF and CF. Their development reflects the increased number of land and maritime borders in the Community following enlargement. To that end the objective of an EGTC will be to facilitate and promote cross-border, transnational and/or interregional co-operation. An EGTC will have a legal personality and can be composed of either the Member States, and/or a regional authorities and

/or local authorities. Its tasks will be limited to facilitating and promoting territorial co-operation and to strengthen economic and social cohesion. Primarily, it will focus on the implementation of territorial co-operation programmes or projects that are co-financed by the Community through either the ERDF, ESF and/or the Cohesion Fund. Allowance has been made for the EGTC to pursue territorial co-operation without Community funding should they decide to do so. An EGTC will be composed of an assembly, a Director and any additional organs deemed necessary for its proper functioning.

ENTRY INTO FORCE: 1 August 2006. It will apply from 1 August 2007, with the exception of provisions requiring the Member States to ensure the effective application of the Regulation such as drawing up comprehensive list EGTC tasks, which will apply from 1 August 2006.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 04/07/2006 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a report by Jan **OLBRYCHT** (EPP-ED, PL) and approved the Council's common position. It should be noted that this regulation is part of the Structural Funds package for 2007 to 2013. (Please also see COD/2004/0167, AVC/2004/0163 and AVC/2004/0166.) The package defines the objectives, the financial resources available and the criteria for their allocation in an enlarged EU. Approximately EUR 308 billion - or 35.7 per cent of the total EU budget - will be available to spend, as scheduled, from 1 January 2007.

As part of the deal on the financial perspective, MEPs secured a further EUR 300 million extra for territorial cohesion. The House supported the idea that EUR 200 million should be allocated to the trans-national area and the remaining EUR 100 million should be given to inter-regional cooperation.

Cross-border cooperation, economic and social cohesion: European Grouping of Territorial Cooperation (EGTC)

2004/0168(COD) - 06/07/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jan **OLBRYCHT** (EPP-ED, PL) making some amendments to the Commissions proposals. The resolution was adopted with 662 votes in favour, 31 against and 15 abstentions.

Parliament changed the name of the grouping from "European grouping of cross-border cooperation (EGCC)" to "European grouping of territorial cohesion (EGTC)". It stated that the EGTC should support European territorial co-operation in three areas: cross-border, inter-regional or trans-national.

Amendments proposed by the MEPs specify that these conventions will be transferred to the European Commission and to the Committee of the Regions and that the Commission will kept a public register of all conventions relative to EGCCs.

The EGTC will be subject to the law governing the operation of associations of the State designated by its members.

In addition to Member States and/or local public bodies, the EGTC may be made up of other bodies acting on a not-for-profit basis, in which regional /local authorities and Member States participate.

Agreements on border, interregional or supranational cooperation between Member States and/or regional and local authorities may continue to be applied.

Parliament added an operative clause stating that the competent authority of the Member State whose law is applicable must have a right of supervision over the EGTC's management of public funds, both national and Community. The competent authority of the Member State whose law is applicable shall inform the other Member States affected by the convention of the results of any checks carried out.

Parliament specified that no financial liability will fall on Member States that are not members of the EGTC, even though their regional, local or public bodies are participating as members. This, however, is without prejudice to the financial responsibility of Member States in relation to Community funds operated by the EGTC.

Finally, where border regions have experienced prolonged periods of civil or military conflict, the EGTC may also have the objective of promoting reconciliation and assisting with peace-building programmes.