Basic information

2011/0272(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European grouping of territorial cooperation (EGTC): clarification, simplification and improvement of the establishment and functioning of such groupings Amending Regulation (EC) No 1082/2006 2004/0168(COD) **Subject** 4 Economic, social and territorial cohesion 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	ZELLER Joachim (PPE)	21/06/2011
	Shadow rapporteur SMOLKOVÁ Monika (S&D) HYUSMENOVA Filiz (ALDE) GRÈZE Catherine (Verts /ALE) VLASÁK Oldřich (ECR) OMARJEE Younous (GUE /NGL) BUFTON John (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
JURI Legal Affairs	VOSS Axel (PPE)	05/09/2013

Council of the European Union	**Council configuration** / **Meetings** / **Date** Agriculture and Fisheries / 3285 / 2013-12-16
European Commission	**Commission DG** / **Commissioner** Regional and Urban Policy / HAHN Johannes
European Economic and Social Committee	
European Committee of the Regions	

Key events

Date	Event	Reference	Summary
06/10/2011	Legislative proposal published	COM(2011)0610	Summary
25/10/2011	Committee referral announced in Parliament, 1st reading		
10/07/2013	Vote in committee, 1st reading		
27/09/2013	Committee report tabled for plenary, 1st reading	A7-0309/2013	Summary
19/11/2013	Debate in Parliament		
20/11/2013	Decision by Parliament, 1st reading	T7-0487/2013	Summary
20/11/2013	Results of vote in Parliament		
16/12/2013	Act adopted by Council after Parliament's 1st reading		
16/12/2013	End of procedure in Parliament		
17/12/2013	Final act signed		
20/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2011/0272(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1082/2006 2004/0168(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 212 Treaty on the Functioning of the European Union TFEU 175-p3 Treaty on the Functioning of the European Union TFEU 209-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions

Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/07448

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE491.049	05/06/2012	
Committee draft report		PE489.428	31/05/2013	
Amendments tabled in committee		PE514.647	20/06/2013	
Amendments tabled in committee		PE514.838	02/07/2013	
Amendments tabled in committee		PE516.587	09/07/2013	
Specific opinion	JURI	PE519.507	23/09/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0309/2013	27/09/2013	Summary
Amendments tabled in committee		PE514.743	17/10/2013	
Text adopted by Parliament, 1st reading/single reading		T7-0487/2013	20/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00084/2013/LEX	17/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0610	06/10/2011	Summary
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	
Follow-up document	COM(2018)0597	17/08/2018	Summary
Follow-up document	SWD(2018)0395	17/08/2018	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2011)0610	01/12/2011	
Contribution	RO_CHAMBER	COM(2011)0610	13/01/2012	
Contribution	CZ_SENATE	COM(2011)0610	08/05/2012	
Contribution	IT_SENATE	COM(2011)0610	30/05/2012	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0371/2011	15/02/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act

Regulation 2013/1302
OJ L 347 20.12.2013, p. 0303 Summary

Corrigendum to final act 32013R1302R(01)
OJ L 330 03.12.2016, p. 0005

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

2011/0272(COD) - 17/08/2018 - Follow-up document

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.

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

2011/0272(COD) - 27/09/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Joachim ZELLER (PPE, DE) 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.

It recommended that the European Parliament's position at first reading under the ordinary legislative should be to amend the Commission proposal as follows:

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.

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.

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

2011/0272(COD) - 17/12/2013 - Final act

PURPOSE: Improvement of the judicial instrument of the European grouping of territorial cooperation (EGTC).

LEGISLATIVE ACT: Regulation (EU) No 1302/2013 of the European Parliament and of the Council amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings.

CONTENT: the Regulation is part of **a package of measures** relating to the cohesion policy comprising the following Regulations:

- Regulation (EU) No 1303/2013.of the European Parliament and of the Council sets out the provisions common to five European structural funds, the ERDF, the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).
- The Regulations specific to the five funds for the ERDF, the ESF, the Cohesion Fund, the European Territorial Cooperation and **the European grouping of territorial cooperation (EGTC).**

The main changes made to Regulation (EC) No 1082/2006 are the following:

Nature of EGTCs: it is specified that the objective of an EGTC is to facilitate and promote, in particular, territorial cooperation, including one or more of the cross-border, transnational and interregional strands of cooperation, between its members, with the aim of strengthening Union economic, social and territorial cohesion. The registered office of an EGTC shall be located in a Member State under whose law at least one of the EGTC's members is established.

Composition of EGTC: the following entities can become members of a EGTC:

- Member States or authorities at national level;
- regional and local authorities;
- **public service provider undertakings including those governed by private law**. The amendments on this point include undertakings entrusted with the operation of **services of general economic interest**, in fields such as education and training, medical care, social needs in relation to health care and longterm care, childcare, access to, and reintegration into, the labour market, social housing as well as the care and social inclusion of vulnerable groups;
- national, regional or local authorities, or bodies or public undertakings, equivalent to third country equivalents.

In principle, the members of an EGTC shall be located on the territory of at least two Member States.

Applicable law: the acts of organs of an EGTC shall be regulated by: a) this Regulation; b) the agreement referred to in the Regulation, where the latter is expressly authorised; c) for issues that are not governed by the Regulation, or are in part, the national law of the Member State in which the EGTC headquarters is situated.

Where it is necessary to determine the applicable law under EU law or private international law, the Regulation provides that the EGTC is seen as an entity of the Member State in which it has its headquarters.

Accession of members from third countries or overseas countries or territories (OCTs): the Regulation introduces a clear, precise and more comprehensive definition regarding the participation of third countries.

Third countries neighbouring the Union may become members of an EGTC, **including neighbours of outermost regions and overseas territories**, so long as the other members come from a single Member State or more.

Taking into account the links between the countries and the overseas territories of Member States, the approval procedures for the participation of potential members of an EGTC must involve these Member States.

Operations under European territorial cooperation programmes, where co-financed by the Union, should therefore continue **to pursue Union Cohesion Policy objectives**, even if they are implemented, partly or in their entirety, outside the territory of the Union.

S**implification measures**: the current three-month period for the Member States' approval procedure in terms of establishing an EGTC is extended to **six months**.

In addition, **the convention** should be deemed to be approved by tacit agreement, where applicable, in accordance with the national law of the Member States concerned. However, the Member State where the proposed registered office of the EGTC is to be located should have to formally approve the convention.

In order to encourage the accession of new members to an existing EGTC, **the procedure to amend conventions is simplified**. Consequently, 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 laws the new prospective member is established and the Member State where the EGTC has its registered office.

The convention and statutes and any subsequent amendment thereof should be registered or published, or both, in the Member State where the EGTC has its headquartes. In addition, for reasons of transparency, a notice concerning the decision establishing an EGTC should be **published** in the C series of the Official Journal of the European Union.

Report: no later than 1 August 2018, the Commission should make a report on the application of Regulation evaluating, on the basis of indicators, the effectiveness, efficiency, relevance, European added value, and scope for simplification of this Regulation.

ENTRY INTO FORCE: 21.12.2013. EGTCs established before 21 December 2013 shall not be obliged to align their convention and statutes with the provisions of Regulation (EC) No 1082/2006 as amended.

DELEGATED ACTS: the Commission may adopt delegated acts in order to lay down a list of indicators for use in the evaluation and preparation of the report on the application of the Regulation. The power to adopt delegated acts shall be conferred on the Commission **for a period of five years from 21 December 2013**. The European Parliament or the Council may object to a delegated act within a period of **three months** from the date of notification (this period can be extended for three months). If the European Parliament or the Council make objections, the delegated act will not enter into force.

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

2011/0272(COD) - 06/10/2011 - Legislative proposal

PURPOSE: to define the next framework for cohesion policy for the period 2014-2020 (clarification, simplification and improvement of the establishment and implementation of European grouping of territorial cooperation (EGTC).

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

BACKGROUND: in accordance with Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC), the Commission adopted on 29 July 2011 a Report on the application of the aforementioned Regulation.

In that Report, the Commission announced its intention to propose a limited number of modifications to the EGTC Regulation to facilitate the establishment and operation of EGTCs, as well as clarification of certain existing provisions.

Obstacles to establishing new EGTCs should be removed while maintaining continuity in and facilitating the operation of existing ones, thus allowing more extensive use of EGTCs to contribute to better cooperation and policy coherence among public bodies without additional burden on national or European administrations.

This proposal is part of a package of legislative measures relating to the **Cohesion policy 2014-2020**. This package includes:

- an overarching regulation setting out common rules governing the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). This will allow for the better combination of funds for a stronger impact of EU action;
- three specific regulations for the ERDF, the ESF and the Cohesion Fund;
- two regulations dealing with the European territorial cooperation goal and the **European grouping of territorial cooperation** (EGTC);
- two regulations on the European Globalisation Fund (EGF) and the Programme for Social Change and Innovation;
- a communication on the European Union Solidarity Fund (EUSF).

IMPACT ASSESSMENT: no impact assessment was carried out. The Regulation draws on extensive consultation with stakeholders, including Member States, regions and members of existing and planned EGTCs.

The message from all groups, and most especially the active EGTCs and those under preparation, was clear: the instrument is useful and has potential going beyond its anticipated functions, but the procedures for operating and especially setting up EGTCs are more complex and uncertain than they should be.

LEGAL BASIS: the third subparagraph of Article 175 in conjunction with Articles 209(1) and 212(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this amending Regulation makes changes, on the one hand, to respect the terminology introduced by the Treaty on the Functioning of the European Union and on the other hand in response to the weaknesses and areas of potential improvement identified in the Report referred to above.

The philosophy behind the changes can be expressed in three keywords: **Continuity; Clarity; Flexibility.**These changes concern:

- **membership**: the proposal employs new legal bases to permit regions and bodies in non-Member States to be members of an EGTC, whether the other members are from one or many Member States. The eligibility of membership of bodies under private law is also clarified;

- **the content of the Convention and Statutes of an EGTC, its purpose**: under the proposal, the convention and statutes of an EGTC are re-defined and the distinction in approval procedure underlined;
- **the process of approval by national authorities**: the proposal stipulates that the criteria for approval or rejection by national authorities are specified, and a limited time for examination proposed (this is the single most frequently heard complaint from existing and planned EGTCs);
- **applicable law for employment and for procurement**: solutions, in line with the acquis of the Union, are proposed for tax and social security regimes for employees of an EGTC, who may be employed in any of the Member States whose territories comprise the EGTC. A similar approach is proposed for procurement rules;
- **liability**: where some local or regional bodies are required by their national laws to have limited liability and others, in different Member States, are required to have unlimited liability, an insurance-based solution modelled on that used for European Research Infrastructure Consortia (ERIC) is proposed;
- **more transparent procedures for communication**:Member States will be required to inform the Commission of any provisions adopted to implement the EGTC Regulation, as amended, and each newly established EGTC should inform the Commission of its purpose and membership, for publication in the Official Journal (C Series).

BUDGETARY IMPLICATION: the EGTC Regulation is not a financial regulation and carries no budgetary implications for the Union or for Member States. EGTCs may be funded by local, regional or national funds and may carry out actions that are co-funded by European funds.

DELEGATED ACTS: this proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU).