

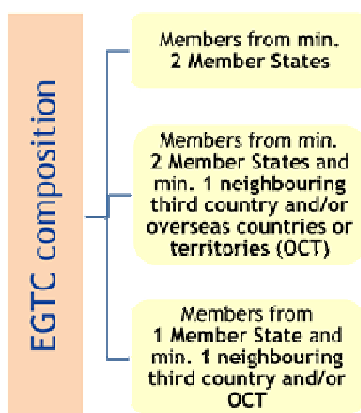


The 2014-2020 Interreg Programme Management Handbook is composed of fact sheets. Each theme is covered by one fact sheet so that the reader can easily and quickly choose the relevant fact sheet.

Fact Sheet; EGTC - European Grouping of Territorial Cooperation

1. What is it? What is the definition of the term / theme of this fact sheet?

“EGTC” stands for **European grouping of territorial cooperation**. It is an entity with legal personality under European law. Its objective is to facilitate and promote territorial cooperation, with a view to strengthening the Union’s economic, social and territorial cohesion.



EGTCs are made up of public entities (Member States, including outermost regions, national, regional and/or local authorities and other public-law bodies) and/or non-profit or public-equivalent private entities providing public services and being from at least two countries. Under specific conditions, it is also possible for entities from outside the European Union to participate in an EGTC. In this case, the country must either be a neighbour of one of the Member States involved, or part of a joint cross-border, transnational or sea-basin programme. However, in all cases at least one member of the EGTC has to be located on the territory of an EU Member State.

Each EGTC shall be governed by its convention, describing its tasks and competences, and shall establish its status, organs (min. assembly and a director) and rules for its budget.

The main legal basis for EGTC is the EGTC Regulation 1082/2006¹, amended by the Regulation 1302/2013² and some articles from the ETC Regulation (EC) No 1299/2013³ and Common Provisions Regulation (EC) No 1303/2013⁴. At the same time, in matters not regulated under the EGTC Regulation, the applicable law is the national law of the Member State where the EGTC has its registered office.

2. Why we are discussing it?

The international composition of EGTCs and its scope of action naturally enable them to take on new Interreg projects quickly and efficiently, or even be directly involved in the Interreg programme management. Therefore, just as in the 2007-2013 years, but even more for the 2014-2020 period, EGTCs are perceived by the European Commission (EC) and the Member States as taking an active role of EGTCs in Interreg programmes. The graph below outlines the possibilities provided by the EGTC Regulation and ETC Regulation.

It is worth underling that EGTC could act as sole beneficiary in Interreg projects, which in practice means that they would be permitted to carry out cooperation projects by themselves, on the basis of their

¹ 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).

² Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 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.

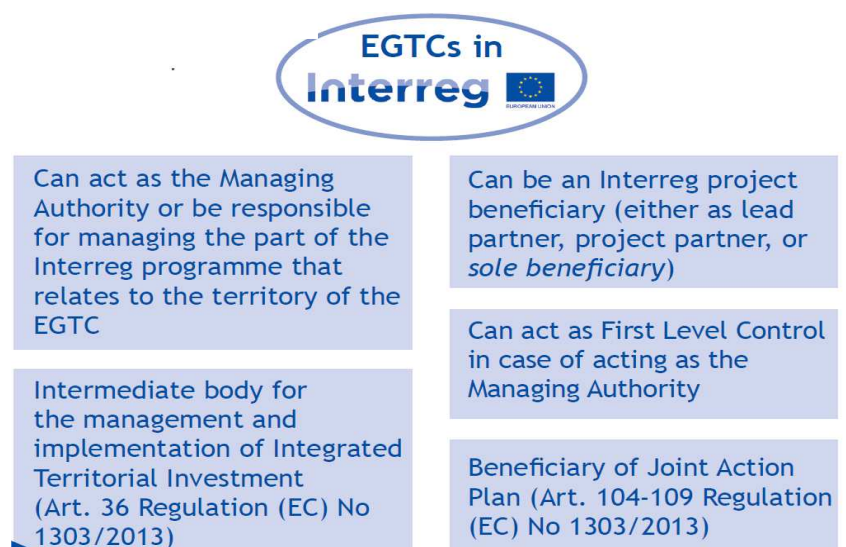
³ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal.

⁴ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.



composition requirements. They can also be a useful tool for implementing projects and actions of macro-regional strategies.

An inherent feature of the EGTC is to enhance genuine cooperation of its members. For example, an EGTC has legal personality, and the most extensive legal capacity makes it possible for its members to jointly acquire properties, manage public services or employ staff.



3. Reference to the regulations and what is new in the 2014-2020 programming period compared with the 2007-2013 programming period

It's important to remember that EGTCs are legal entities and are not necessarily connected to any financial programmes or funding source of the EU. Thus they are not limited to any of the financial periods of the EU. However, the EGTC was a brand new instrument when the EGTC Regulation 1082/2006 entered into force on 1 August 2007. In order to evaluate the effectiveness of this new tool, the Commission was obliged to prepare in 2011 a report⁵ on the Regulation application, as well as proposals for its amendments. This is how amendments to the EGTC Regulation 1082/2006 were proposed, together with the new 2014-2020 Cohesion Policy legislation pack. The Regulation 1302/2013 amending the EGTC Regulation 1082/2006 introduced changes like:

- Establishment of EGTC is to be easier and faster (e.g., by introducing a tacit approval procedure after 6 months as a formal approval of EGTC establishment, except in the Member State where the EGTC' seat is located).
- The EGTC Convention becomes the main document of the EGTC, where provisions on staff, taxation, procurement and other aspects related to the functioning of the EGTC can be regulated.
- Public undertakings of Annex III of Directive 2004/17/EC (private law) and undertakings entrusted with operations of services of general economic interest can be part of an EGTC.
- The participation of entities from outside the EU is possible and has clearer rules - EGTCs with one entity from one Member State and another one from a non-EU Member State are possible.

For a detailed comparison of amendments of the EGTC Regulation 1082/2006 introduced by the Regulation 1302/2013 please see [the fiche prepared by the Committee of Regions.](#)

⁵ Report from the Commission to the European Parliament and the Council "The application of the Regulation (EC) No 1082/2006 on a European Grouping of Territorial Cooperation (EGTC)" COM(2011) 462 final from 29 July 2011



Legislative framework:

- EGTC Regulation 1082/2006 amended by the Revised EGTC Regulation 1302/2013
- ETC Regulation 1299/2013 Preamble Point 22, 32, 34, and Article 9, 11, 12.3, 22, 23.3
- Common Provisions Regulation 1303/2013, Article 48.1.

4. Challenges and frequently-asked questions

- Time-consuming and complex procedures of EGTC establishment. The steps outlined by the [INTERACT handbook](#) can guide authorities in this process.
- National implementation of the EGTC Regulation may differ - as the EGTC Regulation requires from Member States to adopt national provision to ensure its effective application, it allows them to take different - even contradicting - decisions in the process decisions of national implementation. This in practice led to differences in questions of limited or unlimited liability of an EGTC, which could lead to a bottleneck when two neighbouring Member States have different regimes, thus the EGTC cannot function or be set-up.
- Membership of the third countries and their regional and local authorities - the practice of the 2007-2013 period showed that there are cases where their participation would be an asset while it was not legally regulated on what basis a Member State entity could set up an EGTC with a non-EU entity. Specific conditions have been introduced by the new Regulation 1302/2013.
- Insufficient awareness of EGTCs and their potential use in Interreg programme and project management.

5. How they are addressed?

All the above-mentioned challenges were addressed with the amendments of the EGTC Regulation 1082/2006 introduced by the Regulation 1302/2013; e.g., in the case of liability it was agreed that if one member has limited liability the other members can also limit their liability under the condition that their national legislation allows it. In such cases where an EGTC has limited liability, any Member State may require schemes of insurance or financial guarantees (public or private) to cover the risks specific to the activities of the EGTC (for more details on the amendments please see point 3).

The Committee of the Regions, the European Commission and INTERACT are constantly making joint efforts to increase awareness of EGTCs.

6. Good practice examples

Within the 2007-2013 period a few EGTCs were involved in ETC projects. This proved that EGTCs:

- Are natural-born beneficiaries of Interreg as their partnerships naturally fulfil cooperation criteria.
- Provide the chance to build on existing knowledge and experience of the partnership, and at the same time offer the possibility to establish a stable, long-term commitment of partners, therefore strengthening cooperation.
- Can offer the possibility for project partners to hire staff together and make joint purchases.
- May build links to other programmes/funding sources, spreading the reach of territorial cooperation.



In practice, programmes willing to make the most of EGTCs must remember to:

- Include the sole beneficiary rule in their implementation provisions (contracts, monitoring system, FLC guidance, etc.)
- Be aware of which EGTCs exist in your programme area and if their objectives align with your programme's objectives.
- Think about including relevant EGTCs among your key programme partners.

7. Reference to other, more-detailed papers

- [EGTC Platform](#) run by the Committee of the Regions which aims at integrating the political and technical representatives of all existing EGTCs, EGTCs under constitution and members of the Expert Group as well as associations and other experts. The website explains what is an EGTC, presents all EGTCs established and is also a source of information for interesting publications on EGTC, including the annually published EGTC Monitoring Report
- Interact website - [EGTC section](#)
- Comparison of amendments of the EGTC Regulation 1082/2006 introduced by the Regulation 1302/2013 - [the fiche prepared by the Committee of Regions](#)
- [Report from the Commission to the European Parliament and the Council “The application of the Regulation \(EC\) No 1082/2006 on a European Grouping of Territorial Cooperation \(EGTC\)” COM\(2011\) 462 final from 29 July 2011](#)
- [EGTC in Interreg/ETC Flyer \(April 2015\)](#)
- [INTERACT Handbook - the European Grouping of Territorial Cooperation \(EGTC\) - What use for ETC programmes and projects? \(November 2008\)](#)