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## Cross-border delivery of public services: How useful are EGTCs?

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## Cross-border delivery of public services: How useful are EGTCs?

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### ABSTRACT

The European Grouping of Territorial Cooperation (EGTC) is a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation. It was introduced in 2006 to enable public authorities of various Member States to team up and deliver joint services, without requiring a prior international agreement to be signed and ratified by national parliaments. At the end of 2013, 45 EGTCs had been established, and 15-20 EGTCs were under consideration (Committee of the Regions, EGTC Monitoring Report 2013).

EGTCs in operation differ considerably in terms of size and activities, but some patterns can be discerned: most EGTCs are located in the Southern and Eastern part of the EU, and most deal with strategic cooperation for economic development (including spatial planning) rather than with concrete cross-border public service provision. Recently, EGTCs have been given a more prominent role in the institutional set-up of EU Cohesion Policy for 2014-2020. This all raises the question whether the instrument of EGTC is used for what it was originally intended for. This paper provides such an evaluation and looks at the possibilities and obstacles for cross-border cooperation in general, and in public service provision in particular, within and outside of the EGTC framework.

### 1-INTRODUCTION

In the Lisbon Treaty European Territorial Cooperation (hereafter: ETC) has been explicitly put down as an important policy objective of the EU (hereafter: European Union)<sup>1</sup>. ETC is also central to the EU Cohesion Policy for 2014-2020. Cross-border cooperation (hereafter: CBC), as one of the forms of ETC, is dealt with in 60 out of 297 Cohesion Policy Operational Programmes that have been drafted for the next period.

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<sup>1</sup> See M. Jaschitz, Key factors for successful territorial cohesion: Cross-border cooperation – How can some EU instruments create a new geography?, in: European Journal of Geography, 2013 (4): 4, p. 8-19, as well as G. Tóth, EGTC – the EU's new instrument of European Territorial Cooperation Programmes, Master thesis, University of Applied Sciences, Eisenstadt, 2009, for an overview of the evolution of territorial cohesion/cooperation in EU policy.

An important issue in CBC is the legal-institutional set-up that is used by the cooperation scheme. Ever since the 70s it has been the Council of Europe, rather than the EU, that has facilitated cross-border cooperation as far as these legal-institutional issues were concerned. However, in 2006 the European Grouping of Territorial Cooperation (hereafter: EGTC) was introduced by the EU. The EGTC is a legal instrument designed to facilitate and promote territorial cooperation (i.e. cross-border, transnational or interregional cooperation). It was introduced to enable public authorities of various Member States to team up and deliver joint services, without requiring a prior international agreement to be signed and to be ratified by national parliaments. According to the relevant Regulation of 2006 (updated in 2013, changes effective as from June 22, 2014<sup>2</sup>) an EGTC should involve at least two Member States; if a non-Member State is involved there should be at least two Member States per one non-Member State). Members of the EGTC can be local, regional and central governments, public law bodies and associations. The EGTC offers the cooperation scheme legal personality when certain aspects are met (convention, budget, director, assembly, and staff). The EGTC operates according to the national law of the Member States where the EGTC has its seat.

EGTCs are thus meant to promote territorial cooperation, mainly within the framework of Cohesion policy. In this respect EGTCs can be used for programme management (joint Managing Authorities) and/or the management of specific cross-border projects. EGTCs can also be used for the management of other EU-funded cross-border projects, outside of the framework of the Cohesion policy, or for the management of any other territorial cooperation scheme without any EU-funding being involved. However, they are not allowed in areas like police, justice and foreign affairs. Generally, we can see that the role of EGTCs in ETC and EU Cohesion Policy, as envisaged by the EU, has become more prominent. The 2013 EGTC Regulation contains an explicit reference to ETC as its general mission, i.e. EGTCs are now more than before explicitly embedded in EU Cohesion Policy. Article 7 now states that actions carried out without a financial support from the EU can be limited by Member States, but not if they concern the priorities of the ETC. Articles of other EU regulations related to

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<sup>2</sup> Regulation (EC) No 1082/2006 of the European Parliament and of the Council on a European grouping of territorial cooperation (EGTC), 5 July 2006 (hereafter: 2006 EGTC Regulation) and Regulation (EC) No 1302/2013 of the European Parliament and of the Council, 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 (hererafter: 2013 EGTC Regulation).

EU Cohesion Policy have been changed; EGTCs are now explicitly mentioned as beneficiaries of Joint Action Plans and Integrated Territorial Investments, as potential intermediate body to implement Integrated Territorial Investment, as programme management and as managing authority. In practice, if we look at the (draft) Operational Programmes for the 2014-2020, we can see that ten EGTCs have announced their intention to participate in Joint Action Plans, 15 of them intend to be intermediate authorities in Integrated Territorial Investments, nine of them are planning to implement cross-border Community-Led Local Development actions, and four EGTCs intend to be Managing Authority in the implementation of cross-border programmes. All in all, 21 EGTCs have reported their participation in the preparation of Operational Programmes at national and regional level.

Apart from the role of EGTCs in the EU polity, questions can be raised regarding the use of the EGTC instrument in general, its geographical spread and the activities that the EGTC-facilitated CBC is involved in. At the end of 2013, 45 EGTCs had been established, and 15-20 EGTCs were under consideration (Committee of the Regions, EGTC Monitoring Report 2013). EGTCs in operation differ considerably in terms of size and activities, but some patterns can be discerned: most EGTCs are located in the Southern and Eastern part of the EU, and most deal with strategic cooperation for economic development (including spatial planning) rather than with concrete cross-border public service provision. Even though the EGTC instrument is often perceived as a success story, it can be argued that a. the instrument is still relatively underused in some geographical areas (especially in the northern part of the EU) and b. that the use seems to be largely limited to cross-border regional development, spatial planning and management issues rather than the concrete provision of public services. This latter issue is especially relevant given that the development of cities and regions, access to high-quality public services for all, attractive living and working conditions are some of the goals that EU cohesion policy is helping to achieve; developing common services for the local population is an important part of cross-border and transnational cooperation within the framework of EU Cohesion Policy. Moreover, according to some we can witness in Europe a re-municipalisation of public service provision, or: a come-back of municipal sector-based public service provision<sup>3</sup>, which may give rise to the need to coordinate such provision across national borders, but now at the local/regional level.

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<sup>3</sup> H. Wollmann, Provision of Public Services in European Countries: From Public/Municipal to Private and Reverse? In: HKJU-CCPA, 2011 (11/4, 889-910).

All of this gives rise to the question whether the nature of the EGTC instrument has changed or is about to change in the period 2014-2020: from a general tool for bilateral CBC on local/regional level, towards an essential part of the multi-level institutional set-up of EU Cohesion Policy. Is the instrument of EGTC still (to be) used for what it was originally intended for, i.e. to enable a variety of concrete cross-border activities or has it become a (top-down driven) management instrument within EU Cohesion Policy? This paper tries to answer these questions and looks at the possibilities and obstacles for cross-border public service provision in Europe, within and outside of the EGTC framework.

The paper is structured as follows.

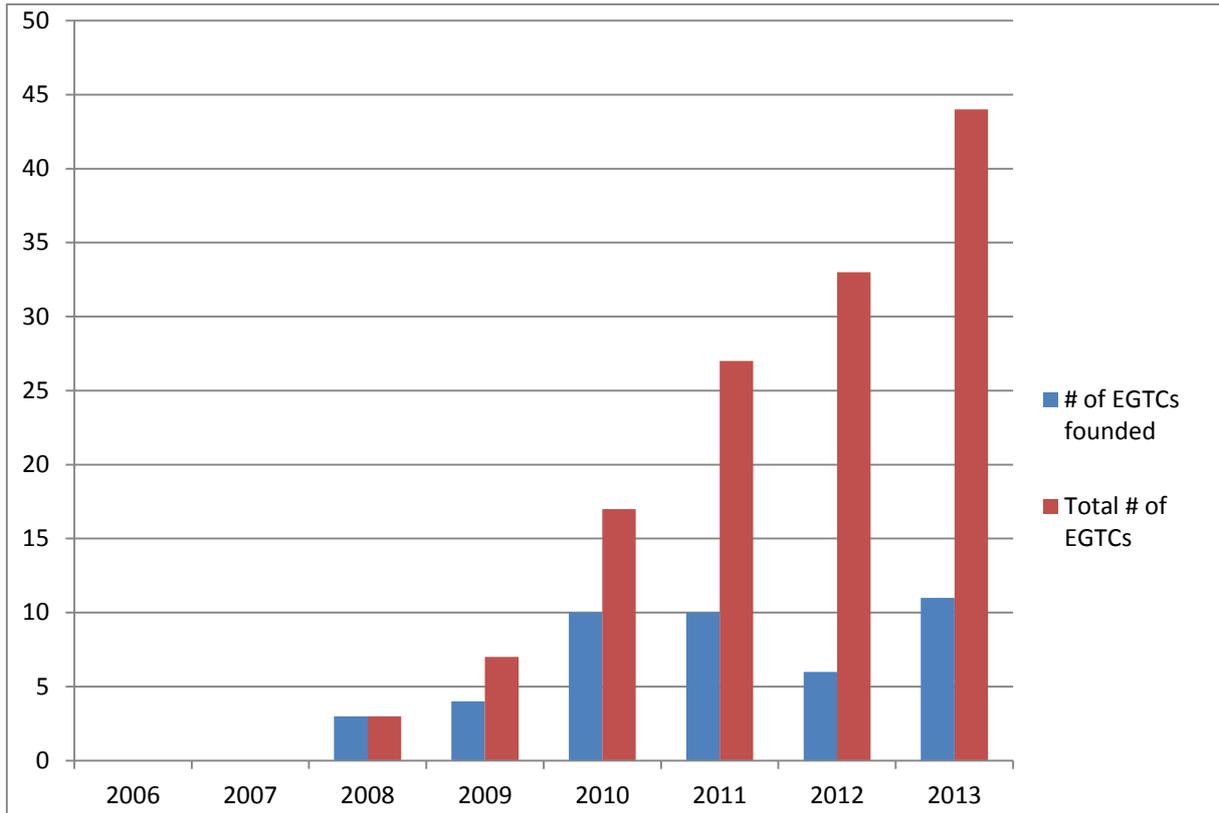
We will first (section 2) “map” the existing EGTCs (as well as EGTCs under consideration), focusing on a number of characteristics (geographical location, partners involved, type of cooperation, fields of activity, budget). The main data sources to be used are the EGTC Monitoring Reports of the Committee of the Regions, if needed and possible complemented with websites of specific EGTCs and dedicated websites of Interact and Urbact. Subsequently (section 3), based on previous literature, the main obstacles and incentives for cross-border public service provision are discussed in more theoretical terms: what is so special about cross-border provision of public services? Section 4 discusses the nature and role of EGTCs and concludes.

## **2-EGTCs IN PRACTICE**

As is shown in figure 1 the number of EGTCs is steadily increasing since 2008, although less than expected and hoped for by some. Ultimo 2013 45 EGTCs were established (44 were formally registered) and 15 EGTCs were in the process of being established.

The 2013 Committee of the Regions EGTC Monitoring does not contain updated information on 8 EGTCs. More generally, these monitoring reports (the production of which is tendered each year) are not of high quality; the 2013 report is of extreme low quality.

Figure 1: Development of EGTCs (based on year of constitution)



Own calculations based on CoR EGTC Monitoring Report 2013

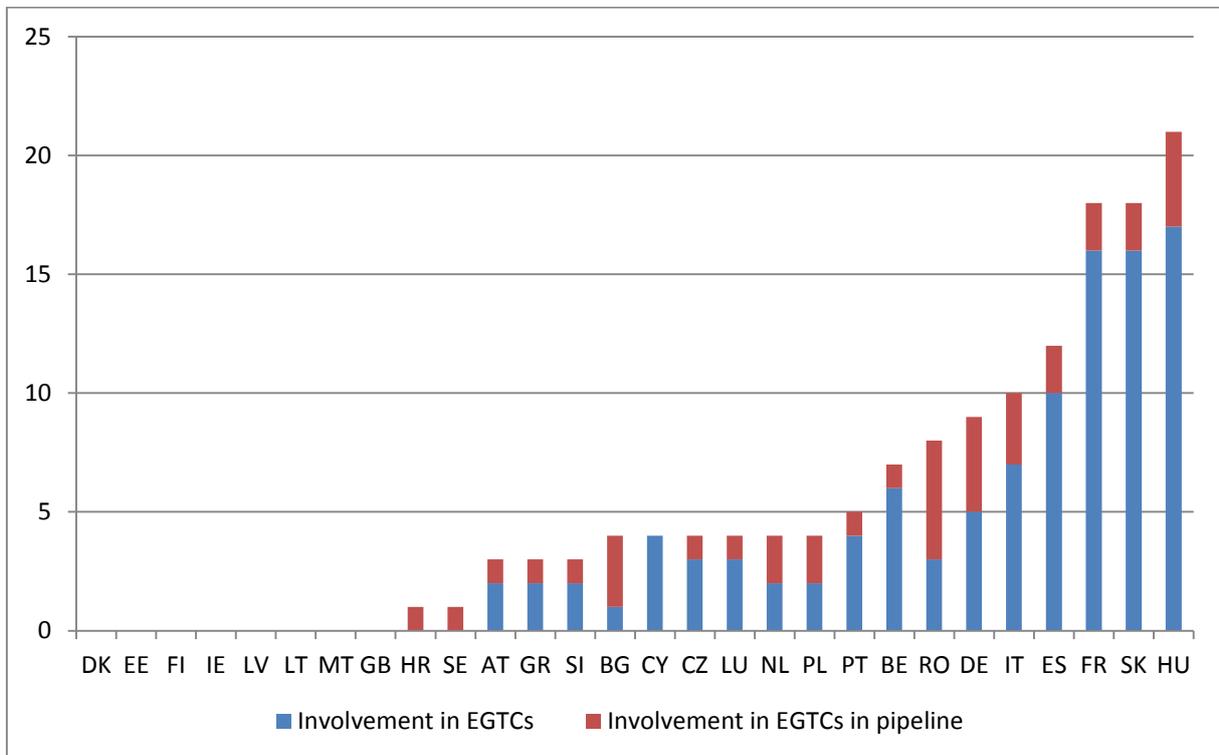
Figure 2 shows the geographical spread of EGTCs (both established EGTCs and EGTCs in the pipeline). It is clear that EGTCs are mainly used in the Southern and Central-Eastern part of the EU. As figure 3 informs us, some EU Member States are to date not involved at all in (bringing about) EGTCs: Denmark, Estonia, Latvia, Lithuania, Finland, Malta and the UK.

Figure 2: Geographical spread of EGTCs (white = existing ultimo 2013; yellow = in pipeline)



Based on CoR EGTC Monitoring Report 2013

Figure 3: Involvement of EU Member States in EGTCs



Own calculations based on CoR EGTC Monitoring Report 2013

EGTCs can deal with various types of territorial cooperation. Table 1 shows the type of cooperation that is involved as well as the partners that engage in the EGTC, for the 42 existing EGTCs on which the 2013 Monitoring Report provides sufficient information. EGTCs are mainly used for bilateral cross-border cooperation between local and/or regional governments. A significant number of cases involve transnational cooperation, i.e. cooperation between member States that do not necessarily share borders. In some cases the set-up is multi-level and includes –in addition to sub-national authorities- the national level (central governments); this is especially relevant if Member States are involved that have a federal structure.

*Table 1: Existing EGTCs: Types of cooperation and partners involved*

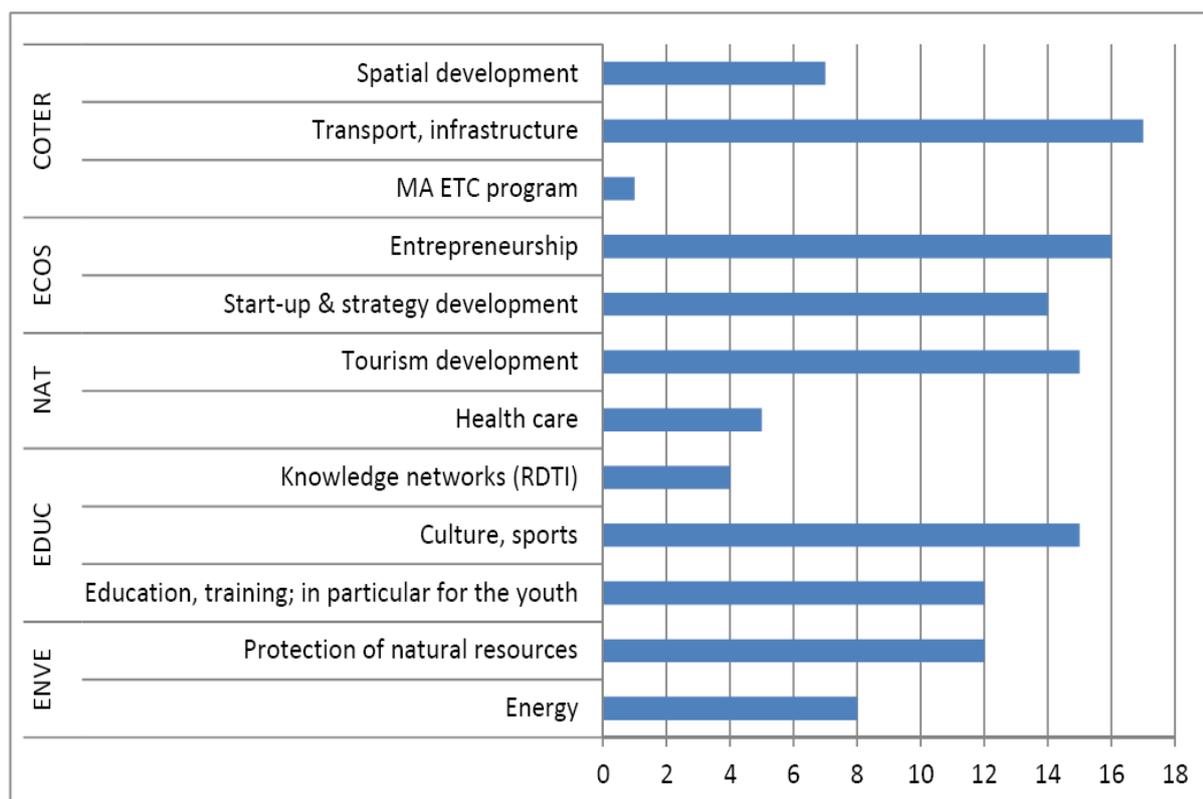
<i>Type of partnership/cooperation</i>	<i>#</i>	<i>Comment</i>
Local Cross-border	21	
Local small (2 to 20 municipalities)	7	Especially common in HU-SK-RO
Local medium (21 to 100 municipalities)	6	
Local-regional (e.g. micro-regions, communautés urbaines, i.e. driven by local agenda)	8	
Regional Cross-Border	8	
Regional only (2 to 6 partners)	7	Especially common in FR-ES, PL-SK
Regional-national	1	
Transnational	4	
Local and regional	3	
National	1	EUKN (thinktank)
Multi-level	5	
National + regional + local	5	Especially common in FR-DE, LU-BE (centralized unitary + federal: multi-level approach needed)
Other	4	
Total	42	

*Based on CoR EGTC Monitoring Report 2013*

In which policy areas are EGTCs involved? Figure 4 lists the number of EGTCs in various areas (classified according the Committee of the Region's commission structure, which unfortunately is not the most informative classification that can be used). Spatial planning and regional policy development are obvious fields for cross-border cooperation, but there is large variety of policy areas where EGTCs are used. Generally cooperation schemes that use

EGTCs deal with strategy, with information sharing, i.e. with policy making, rather than with operational issues (policy implementation). There are three exceptions: the EGTC Grande Region (which is a Cohesion Policy joint Managing Authority between Belgium, Germany, France and Luxembourg), the EGTC Hospital Cerdanya (between France and Spain), and the EUKN (a think-tank which involves nine different Member States).

Figure 4: Field of activity grouped according to CoR commissions



Based on CoR EGTC Monitoring Report 2013

Information on finances, staff and so on is not widely available in the CoR EGTC Monitoring Reports. The information on dedicated websites of EGTCs is varying in quality and hardly comparable. In terms of finances no clear distinction is made between membership fees, start-up and/or general budget support, and project funding. The 2013 Monitoring Report provides some information (but for 25 EGTCs only) on annual turnover (but without properly explaining what is meant by turnover). Table 2 summarizes that information. The variety is large; some EGTCs are handling quite small amounts of financial resources. Information on staff size (also provided in the 2013 Monitoring Report, on these 25 EGTCs) shows that staff size varies from 1 (the formal minimum required number) to 12.

Table 2: Turnover of EGTCs

Turnover in EUR	Number of EGTCs
up to 50,000	9
50,000 to 100,000	3
100,000 to 500,000	4
500,000 to 2,000,000	9
Total	25

Based on CoR EGTC Monitoring Report 2013

### 3-OBSTACLES AND INCENTIVES FOR CROSS-BORDER PROVISION OF PUBLIC SERVICES

In this section we look at obstacles and incentives for CBC, both in general and specifically for CBC which involves the provision of concrete (public) services.

Research on CBC is of a great variety. First, there are numerous single case studies which – with varying degrees of “thickness”- describe the particularities of the (success or failure of) CBC in a specific case. Secondly, some attempts have been made to theorise CBC (and/or the emergence of macro-regions) within European integration theory<sup>4</sup>. Thirdly, various authors have tried to typify different forms or stages of CBC, by looking at a variety of characteristics<sup>5</sup>. Most of these or similar characteristics are also used in the literature on regionalization and (new) regionalism<sup>6</sup>. Finally, CBC (and ETC more generally) have been

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<sup>4</sup> S. van de Walle, Theorising Cross-Border Co-operation, Master thesis KU Leuven, 2000; N. Groenendijk, Macro-regions: regional integration within and beyond the EU, paper NISPAcee annual conference, 16/18 May 2013, Belgrade, Serbia; E. Nadalutti, Does the ‘European Grouping of Territorial Co-operation’ Promote Multi-level Governance within the European Union?, in: JCMS, 2013 (51), 4: 756-771.

<sup>5</sup> M. Perkmann, Cross-border regions in Europe. Significance and drivers of regional cross-border cooperation, in: European Urban and Regional Studies, 2003 (10), 2: 153-171; S. Gerfert, Cross-Border Cooperation: Transforming Borders, Bachelor thesis University of Twente, 2009; R. Knippschild, Benchmarking Cross-border Cooperation, in: Alfa Spectra-Planning Studies, 2009, 13-18; A. van der Zwet & I. McMaster, Governance approaches in European territorial cooperation programmes and the implications of macro-regional strategies, paper RSAI Congress, 2012, Bratislava; A. Van der Zwet, Growing pains: a maturation framework for European territorial cooperation, paper UACES conference 2013, Leeds; L. De Sousa, Understanding European Cross-border Cooperation: A Framework for Analysis, in: Journal of European Integration, 2013(35), 6: 669-687. See S. Ocokoljic, Towards EGTC: Evaluating Influence on the Perception of the Borders on the Cross-Border Policies and Cooperation in Serbia, IRS/CERS, Pécs, Hungary, 2013 for a discussion of the definition of CBC.

<sup>6</sup> See Groenendijk, 2013, op.cit.

analysed in terms of success and failure factors, with a view to establish best practices and toolkits<sup>7</sup>.

Table 3: Incentives and obstacles for CBC, following Svensson & Medve-Bálint (2010), amended

	<i>Instrumental</i>	<i>Normative</i>
<i>INCENTIVES</i>		
<i>Local</i>	Need to overcome peripheral state and/or economic decline (e.g. attracting investments, human capital) Common environmental or social problems More efficient use of local resources	Inclination to actively engage in process of European integration Strong historical social-cultural and economic ties within border region Distinct common regional identity, common ethnic background
<i>External</i>	Availability of transnational funds (e.g. Interreg) Availability of national financial support Availability of an established legal framework for CBC (Madrid Convention, bilateral treaties, EGTC instrument)	Advocacy work of transnational organizations (AEBR, CoR, EC-DG Regio) Embedded role (“implementation units”) in multi-level EU Cohesion Policy (vertical network) Learning from best practices Support from central government
<i>OBSTACLES</i>		
<i>Local</i>	Fierce competition for resources Lack of sufficient own funds Lack of know-how, skills Conflicting ideas about cooperation Language barriers	Adversity towards European integration Historical tensions, border conflicts Existence of stereotypes and prejudices Fear for competition by other side (e.g. labour market, real estate market)
<i>External</i>	Inappropriate external funding Incompatible political-administrative structures Lack of political-administrative autonomy at local/regional level Lack of legal framework for CBC Lack of bilateral agreements to build on	Lack of support from central government Conflicts/tensions between central governments of the neighbouring countries

Here we follow the approach put forward by Svensson and Medve-Bálint<sup>8</sup>, who distinguish between incentives for CBC and obstacles for CBC, between local and external factors and between instrumental and normative factors. Table 3 shows their framework; to some extent incentives and obstacles are each other mirror image. The obstacles and incentives mentioned by Svensson & Medve-Bálint have been supplemented and in some cases re-phrased by us, partly based on the work by Perkmann, by Boman & Berg, and by Gualini<sup>9</sup>.

<sup>7</sup> See for instance the ESPON TERCO project, finalised in 2013; see the Council of Europe’s CBC Toolkit, 2012; see C. Ricq, Handbook of Transfrontier Co-operation, University of Geneva, 2006.

<sup>8</sup> S. Svensson & G. Medve-Bálint, Explaining coverage: why local governments in Central Europe do or do not join Euroregions, paper RSA conference Pécs, Hungary, 2010

<sup>9</sup> Perkmann, 2003, op. cit.; E. Gualini, Cross-border Governance: Inventing Regions in a Trans-national Multi-level Polity, in: disP-The Planning Review, 2003 (39): 43-52; M. Perkmann, Policy entrepreneurship and multi-level governance: a comparative study of European cross-border regions, in: Environment and Planning C, 2007

The incentives and obstacles for CBC listed above are of course relevant for CBC in the case of public service provision as well. Still, in this case we can identify some more specific incentives and obstacles, which are listed in table 4.

Table 4: Specific incentives and obstacles for CBC in public service provision

	<i>Instrumental</i>	<i>Normative</i>
<i>INCENTIVES</i>		
<i>Local</i>	Economies of scale (in production, in procurement et cetera) Economies of scope/greater flexibility (staff) Ability to deal with cross-border externalities	Equity: accessibility issues (esp. relevant in peripheral areas) CBC as alternative to privatization
<i>External</i>	-	Integration of services markets as basic element of SEM Improvement of quality of (public) services essential to Europe 2020 Strategy (with various references in CP 2014-2020): development of cities of regions; access to high quality public services for all; attractive living and working conditions; common services for local population
<i>OBSTACLES</i>		
<i>Local</i>	Incompatibilities in service norms Idem, funding systems/"business models" (taxation, user charges, prices) Lack of resources for cooperation (financial, know-how) in this particular field	Political preferences for focusing on own citizens/voters (local, regional politicians)
<i>External</i>	Legal framework is not oriented towards concrete policy implementation, or public services delivery (i.e. cross-border "business" but in public domain)	Idem, politicians at central level

#### 4-DISCUSSION AND CONCLUSIONS

In which way does the EGTC instrument relate to these incentives and obstacles? Does it take away specific obstacles and/or does it create specific new incentives for CBC?

Following the reasoning that lies behind table 3, we could argue that CBC always starts from local/regional incentives (instrumental and normative) to cooperate, i.e. from concrete needs, problems, opportunities, shared beliefs and identities. As such the existence of the EGTC instrument is hardly relevant. It is however relevant in three ways:

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(25(6)): 861-879; J. Boman & E. Berg, Identity and Institutions Shaping Cross-border Co-operation at the Margins of the European Union, in: *Regional & Federal Studies*, 2007 (17), 2: 195-215.

- as a (external) incentive to provide funds for CBC, if the use of EGTCs makes additional funding within EU Cohesion policy possible or more likely;
- to overcome lack of political support from central government. The EGTC instrument (especially after the 2013 revision) is designed in such a way that the default mode is support;
- last but not least: to provide a legal framework.

***The legal framework: alternatives to the EGTC instrument?***

Starting with the last issue, the legal advantages of the using the EGTC instrument are clear: it has direct effect under Community law, it creates legal personality and it offers the possibility to gather multiple levels of government into one body. In that sense it different from what was provided before 2006, mainly by the Council of Europe.

In 1980 the Council of Europe adopted an agreement on the importance and relevance of CBC by means of the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (amended by various protocols throughout the years), known as the Madrid Convention. However, the Madrid Convention is primarily a political statement listing important principles and minimum standards in CBC, and secondarily provides model inter-state agreements which Member States can use. The Convention has no Treaty value; it does not provide a binding common legal-institutional framework. In the 1980s and 1990s various bi- or multilateral treaties/conventions were adopted that were based on the Madrid Convention (Benelux Convention, 1986; German-Dutch Cross-Border Treaty, 1991; Vienna Agreement, 1993; Rome Agreement, 1993; Karlsruhe Accord, 1996; Treaty of Bayonne, 1995). Prior to the Madrid Convention there was already the Nordic Council Agreement (1977) on CBC between municipalities in Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland and Åland. Looking at the geographical spread of these bilateral and multilateral agreements it becomes clear that especially EU Member States in the North and West have been able to come up with sufficient legal arrangements for CBC, (partly) based on the Madrid Convention. In their case the EGTC instrument was a supplementary possibility that became available in 2006, but which did not necessarily have added value to the arrangements that were already in place. By contrast, in the Southern part of the EU the framework for agreements that the Madrid Convention offered was used to a lesser extent. We also have to realise that the ratification process of the Madrid Convention

and its protocols has generally been rather slow<sup>10</sup>. In addition, for those Member States that joined the EU in 2004 and 2008 membership of the Council of Europe was established only in the early or mid-1990s. In their case the EGTC instrument, when introduced in 2006, did not have to compete with established legal practices for CBC and thus did not have to prove its added legal value compared with other arrangements. According to some, one of the main driving forces behind the adoption of the 2006 EGTC Regulation has in fact been the enlargement of the EU<sup>11</sup>. Especially the 2004 enlargement had significantly increased the number of land and maritime borders and created the need to come up with arrangements for CBC for countries that in that respect did not have anything in place yet.

Interestingly enough, in the same period other legal instruments were created by the EU, but unfortunately, a comprehensive analysis of the suitability of these legal instruments for CBC is lacking. In 1985 the European Economic Interest Grouping (EEIG) was introduced (effective as from 1989), of which over 2000 have now been registered. This instrument is mainly aimed at private partners (natural persons, companies, firms) that engage in CBC. It is possible for local and regional public authorities to engage in an EEIG (i.e. in a private capacity) and occasionally this is indeed done (mainly with project-based CBC), but in general the EEIG format is not suited for public parties as the EEIG format aims at maximizing private economic results (by addressing issues like profits and losses, taxation et cetera) and public parties are concerned with social welfare maximization rather than maximization of business profits (see also Zapletal, 2010)<sup>12</sup>. EEIGs are especially suited for cooperation at project level. The 2006 EGTC Regulation refers explicitly to the EEIG instrument and declares it ill-adapted for structural CBC, for instance within the framework of Interreg. The Committee of the Regions has also concluded that the EEIG in some cases has served as a legal channel for a particular cooperation activity, but it cannot be regarded as a legal instrument for cooperation between local and regional authorities from different

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<sup>10</sup> Four countries that are both EU and CoE Member States have not signed and/or ratified the Madrid Convention: Estonia, Greece, Malta and the United Kingdom.

<sup>11</sup> A. Engl, Territorial Cooperation in Europe: Coordinated Strategy or lost in Confusion?, paper presented at the “Innovation for Good Local and Regional Governance – A European Challenge” conference, University of Twente, 2-3 April, 2009.

<sup>12</sup> J. Zapletal, The European Grouping of Territorial Cooperation (EGTC): A new tool facilitating cross-border cooperation and governance, in: *Quaestiones Geographicae*, 2010(29), 4: 15-26.

Member States<sup>13</sup>. Still, there are three ETC programmes that use the EEIG format; in addition the Baltic Sea region's BONUS programme is managed by an EEIG<sup>14</sup>.

Also mainly directed at CBC between private sector parties from different member States, and thus at first glance maybe less relevant for CBC in public service provision, are the European Company (SE), established in 1004 (now over 1.000 registrations), and the European Cooperative Society (SCE), established in 2008, now over 20 registrations.

Even though these instruments relate mainly to private sector actors, we know that governments increasingly make use of private legal arrangements to promote public goals. Again, more research is needed to assess the suitability for CBC of these legal arrangements, also in light of the fact that according to some authors the EGTC framework is rather heavy and complex<sup>15</sup>. In the case of CBC in public services provision, the legal instruments should be sufficient to tackle the main financial management issues (planning & control, cost accounting); it is clear that the current financial arrangements of the EGTC instrument are lacking in that respect.

### ***EGTCs: a general instrument or part of EU Cohesion policy?***

The first and second issue relate to the way the EGTC is embedded in the EU policies and polity.

The use of the EGTC instrument could provide local and regional authorities with a stronger position in terms of potential funding and embedding in the EU polity. This can be seen as an advantage for those cooperation schemes that need such (additional) funding and institutional embedding. From a wider perspective serious questions can be raised regarding his development. From the beginning, the nature of the EGTC has been twofold: one the one hand it would provide a general possibility to arrange CBC, on the other hand it was clearly a part of EU Cohesion Policy. Especially among representatives of the supranational EU institutions the latter perspective is dominant. Gianluca Spinaci, EGTC expert of the Committee of the Regions, states that in fact the EGTC was designed to facilitate the implementation of programmes and projects co-financed by the structural funds; additionally

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<sup>13</sup> CoR Study on EGTC, 2007.

<sup>14</sup> See Interact, winter 2013, p. 16-21.

<sup>15</sup> N. Dizdarevic, The European Grouping of Territorial Cooperation (EGTC). To what extent should the EGTC be considered a rational choice for organising cross-border cooperation?, Master thesis, Cife & University of Cologne, 2011.

it can also develop other forms of territorial cooperation without Community funding or carry out actions relating to Community policies other than structural policy<sup>16</sup>. According to Joachim Zeller, MEP and rapporteur for the EGTC Regulation revision, most of the current EGTCs are unfortunately not focused on managing ETC programmes or projects –according to him the primary purpose of the Regulation- but rather on improving structures and resolving practical problems in cross-border contexts. He admits, seemingly reluctantly, that some EGTCs, which are not implementing programmes, have also been working effectively<sup>17</sup>. The increased role of EGTCs in the EU Cohesion Policy management structure, as brought about by the 2013 EGTC regulation and the new Cohesion policy regulation for 2014-2020, signals a clear turn towards management-EGTCs. Within the Committee of the Regions it is envisaged that the relationship between EGTCs and the European Commission could be even more formalized, by means of target-based contracts in order to contractualize the cooperation between the European Commission and the EGTCs.

In addition, EGTCs are hailed by some authors and many practitioners as being exemplary multi-level governance arrangements. Again, practice is indeed moving into that direction, and among some policy makers it is argued that some established EGTCs are stretching the EGTC Regulation beyond its original scope of purely operational cooperation, fostering political cooperation. They argue that through the EGTC, a new territorial cooperation scale is emerging: the functional macro-region<sup>18</sup>.

This development does however have three drawbacks. First, it can be argued that instruments like the EGTC, when used in such a comprehensive way, add to the complexity of governance structures in Europe by creating overlap. According to Jaschitz EGTCs are a pseudo-structure, a sort of parallel public administration structure. The basic design is confused as it creates overlap with national structures and in some cases with other cooperation structures. Sanguin argues that throughout the decades the Council of Europe developed structures (such as the Working Communities and the Euroregions) and the EU developed programmes as part of the EU Cohesion Policy (the Interreg Community Initiatives and Phare CBC). With the

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<sup>16</sup> G. Spinaci & G. Vara-Arribas, *The European Grouping of Territorial Cooperation (EGTC): New Spaces and Contracts for European Integration?*, in: *EIPASCOPE* 2009/2, p. 5-123.

<sup>17</sup> *Interact*, winter 2013, p. 15.

<sup>18</sup> Spinaci & Vara-Arribas, *op. cit.*

introduction of the EGTC instrument the EU has also ventured down the path of structures, according to Sanguin leading to confusion and redundancy<sup>19</sup>.

Secondly, the movement towards EGTCs as macro-regional multi-level governance arrangements, funded by and managed as part of EU Cohesion Policy, could well be understood by national governments as a new attempt to by-pass or at least play down the role of the nation state. Some authors have pointed out that there is already significant contradiction (or: ambiguity) between nation states creating instruments like the EGTC and the same national governments not giving support or room for manoeuvre at the local or regional action level<sup>20</sup>.

Finally, if the EGTCs become subsidy and programming vehicles within the EU Cohesion policy<sup>21</sup>, it will probably make the use of the EGTC instrument for non-Cohesion policy related CBC even less attractive.

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<sup>19</sup> A-L Sanguin, Euroregions and other EU's cross-border organizations: the risk of confusion, redundancy, oversizing and entropy. A critical assessment, in: *Annales Ser. Hist. social*, 2013 (23), 155-162.

<sup>20</sup> E. Lange, European grouping of Territorial Co-operation – a 'breath of fresh air'?, in: *Regional Insights*, 2012 (3): 12-14.

<sup>21</sup> Dizdarevic, op. cit.