REPORT


Committee on Regional Development

Rapporteur: Jan Olbrycht
Symbols for procedures

* Consultation procedure
  majority of the votes cast
**I Cooperation procedure (first reading)
  majority of the votes cast
**II Cooperation procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament’s component Members, to reject or amend
  the common position
*** Assent procedure
  majority of Parliament’s component Members except in cases
  covered by Articles 105, 107, 161 and 300 of the EC Treaty and
  Article 7 of the EU Treaty
***I Codecision procedure (first reading)
  majority of the votes cast
***II Codecision procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament’s component Members, to reject or amend
  the common position
***III Codecision procedure (third reading)
  majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in bold italics. Highlighting in normal italics is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.
# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION</td>
<td>5</td>
</tr>
<tr>
<td>EXPLANATORY STATEMENT</td>
<td>20</td>
</tr>
<tr>
<td>PROCEDURE</td>
<td>24</td>
</tr>
</tbody>
</table>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Codecision procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council (COM(2004)0496)\(^1\),

– having regard to Article 251(2) and Article 159(3) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0091/2004),

– having regard to Rule 51 of its Rules of Procedure,

– having regard to the report of the Committee on Regional Development (A6-0206/2005),

1. Approves the Commission proposal as amended;

2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;

3. Instructs its President to forward its position to the Council and Commission.

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendments by Parliament</th>
</tr>
</thead>
</table>

**Justification**

*The general regulation on the Structural Funds establishes a new third objective, territorial cooperation, to comprise cross-border, transnational and interregional cooperation. To ensure terms are used consistently, therefore, the title of the grouping, and its acronym, should be changed.*

\(^1\) Not yet published in OJ.
Amendment 2
Recital 1

(1) Article 159, paragraph 3, of the treaty provides for specific actions to be decided outside the funds which are the subject of paragraph 1 of that article, in order to achieve the objective of social and economic cohesion envisaged by the treaty. The harmonious development of the entire community territory and greater economic, social and territorial cohesion imply the strengthening of cross-border co-operation. To this end it is appropriate to adopt the measures necessary for improving the implementation conditions for actions of cross-border co-operation.

(1) Article 159, paragraph 3, of the treaty provides for specific actions to be decided outside the funds which are the subject of paragraph 1 of that article, in order to achieve the objective of social and economic cohesion envisaged by the treaty. The harmonious development of the entire community territory and greater economic, social and territorial cohesion imply the strengthening of territorial co-operation. To this end it is appropriate to adopt the measures necessary for improving the implementation conditions for actions of territorial co-operation.

Justification

The term 'cross-border cooperation' should be replaced by the term 'territorial cooperation' wherever the regulation uses the former while meaning the latter.

Amendment 3
Recital 5

(5) Council Regulation (EC) No (…) laying down general provisions for the European regional development fund, the European social fund and the Cohesion fund, increases the means in support of European territorial co-operation.

(5) Council Regulation (EC) No (…) laying down general provisions for the European regional development fund, the European social fund and the Cohesion fund, increases the means in support of European territorial co-operation within three domains: cross-border, inter-regional or trans-national.

Amendment 4
Recital 6

(6) It is likewise necessary to facilitate and follow up the implementation of cross-border co-operation actions, without financial participation by the Community.

(6) It is likewise necessary to facilitate and follow up the implementation of territorial co-operation actions, without financial participation by the Community.
**Justification**

*See justification to Amendment 2.*

**Amendment 5**

**Recital 7**

(7) In order to overcome the obstacles hindering *cross-border* co-operation, it is necessary to institute a co-operation instrument at the community level, which allows the creation of co-operative groupings in the community territory, invested with legal personality, called “European groupings of *cross-border* co-operation” (*EGCC*). Recourse to the *EGCC* should be optional.

(7) In order to overcome the obstacles hindering *territorial* co-operation, it is necessary to institute a co-operation instrument at the community level, which allows the creation of co-operative groupings in the community territory, invested with legal personality, called “European groupings of *territorial* co-operation” (*EGTC*). Recourse to the *EGTC* is optional.

**Justification**

*See justification to Amendment 2.*

**Amendment 6**

**Recital 7 a (new)**

*(7a) Agreements on border, inter-regional or supranational cooperation between Member States and/or regional and local authorities may continue to be applied.*

**Justification**

*The entry into force of the Regulation cannot limit the field of application of legal provisions forming the basis of intergovernmental agreements such as the Karlsruhe agreements.*

**Amendment 7**

**Recital 9**

(9) The tasks and competencies of the *EGCC* must be set out in a “Convention of European *cross-border* co-operation”.

(9) The tasks and competencies of the *EGTC* must be set out in a “Convention of European *grouping of territorial* co-operation”.

RR\571819EN.doc 7/25 PE 357.502v02-00
Justification

See justification to Amendment 2.

Amendment 8
Recital 10

(10) The members may decide to set up the EGCC either as a separate legal entity or to assign its tasks to one of the members.

(10) The members set up the EGTC as a separate legal entity and it may assign its tasks to one of the members.

Amendment 9
Recital 11

(11) The EGCC must be able to act, either for implementing programmes of cross-border co-operation co-financed by the Community, notably within the structural funds in conformity with Regulation (EC) No (...) and Regulation (EC) No (...) on the European Regional Development Fund, as well as trans-national and inter-regional co-operation programmes, or for carrying out cross-border co-operation programmes which are at the sole initiative of the Member States and their regional and local authorities, without financial contribution by the Community.

(11) The EGTC must be able to act, either for implementing programmes of cross-border co-operation co-financed by the Community, notably within the structural funds in conformity with Regulation (EC) No (...) and Regulation (EC) No (...) on the European Regional Development Fund, as well as trans-national and inter-regional co-operation programmes, or for carrying out territorial co-operation programmes which are at the sole initiative of the Member States and/or their regional and local authorities, without financial contribution by the Community.

Amendment 10
Recital 11 a (new)

(11a) Whereas the Commission should ensure synergy between this Regulation and the Council of Europe Additional Protocol* to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning the establishment of Euroregional co-operation groupings (ECG).
Justification

The EGCC regulation refers to Member States only, while the partners of cross-border, trans-national and inter-regional cooperation include candidate and third countries, for which the Additional Protocol No. 3 to the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities will be valid, therefore joint EC and Council of Europe efforts are suggested to harmonise the two drafts.

Amendment 11
Recital 13

(13) It should be specified that the powers exercised by regional and local authorities as public authorities, notably police and regulatory powers, cannot be the subject of a convention.  

(Does not affect the English version)

Amendment 12
Recital 14

(14) It is necessary for the EGCC to establish its statutes, and equip itself with its own organs, as well as rules for the budget and for the exercise of its financial responsibility.  

(14) It is necessary for the EGCC to establish its statutes, and equip itself with its own organs, and establish decision-making procedures as well as rules for the budget and for the exercise of its financial responsibility.

Justification

One constant feature of the statutes of a public-law body is a description of the way in which decisions are taken. This prevents decision-making dilemmas from arising as well as increasing the transparency of decision-making.

Amendment 13
Recital 15

(15) Since the conditions for cross-border co-operation, as specified in this regulation, cannot be created in an efficient way, it is necessary to harmonise the two drafts.  

(15) Since legal conditions throughout Europe for territorial co-operation, as specified in this regulation, cannot be
way by the Member States, and are thus better established at the community level, the Community can take measures, in accordance with the subsidiarity principle enshrined in article 5 of the treaty. In accordance with the proportionality principle set out in that article, this regulation does not exceed what is necessary for achieving its objectives, recourse to the EGCC being optional, in accordance with the constitutional system of each Member State, created in an efficient way by the Member States, it is better to establish these conditions at Community level. Accordingly, the Community can take measures, in accordance with the subsidiarity principle enshrined in article 5 of the treaty. In accordance with the proportionality principle set out in that article, this regulation does not exceed what is necessary for achieving its objectives, recourse to the EGTC being optional, in accordance with the constitutional system of each Member State,

Justification

See justification to Amendment 2.

Amendment 14
Article 1, Title

Nature of the EGCC

Nature of the EGTC

Justification

See justification to Amendment 1.

Amendment 15
Article 1, paragraph 1

1. A cooperative grouping can be established on community territory in the form of a European grouping of cross-border co-operation, hereafter referred to as “EGCC”, under the conditions and according to the modalities envisaged by this regulation.

1. A cooperative grouping can be established on community territory in the form of a European grouping of territorial co-operation, hereafter referred to as “EGTC”, under the conditions and according to the modalities envisaged by this regulation.

Justification

See justification to Amendment 2.
Amendment 16
Article 1, paragraph 3, first sub-paragraph

3. The objective of the **EGCC** is to facilitate and promote *cross-border* co-operation between Member States, as well as regional and local authorities, with the aim of **reinforcing** economic, social and territorial cohesion.

3. The objective of the **EGTC** is to facilitate and promote *territorial* co-operation (cross-border, trans-national and inter-regional) between regional and local authorities in the EU with the aim of **strengthening** economic, social and territorial cohesion.

*Justification*

*The regulation specifically uses the term 'territorial cooperation'.*

Amendment 17
Article 1, paragraph 3a (new)

3a. According to the national law of the Member State whose law is applicable, the competent authority of the Member State shall have a right of supervision in respect of the EGTC’s management of public funds, both national and Community.

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.

*Justification*

*The arrangements for supervising the activities of the EGTC must be specified in a clear and transparent fashion, taking into account the fact that the EGTC is composed of bodies belonging to different Member States and that the actions of the EGTC as a grouping are based on the legal system of one of the Member States and are subject to supervision by that State. To ensure that information is shared with the other Member States, a rule should be introduced to ensure that all the Member States involved in the EGTC are informed of the results of any checks carried out.*

Amendment 18
Article 1, paragraph 3b (new)

3b. 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.

Justification

Border regions are often the sites of conflict, which have caused additional and specific obstacles to cross-border co-operation. This amendment would allow the EGTC the ability to address these specific obstacles to cross-border co-operation. This amendment would allow the EGTC to address these specific obstacles within the overall context of the regulation.

Amendment 19
Article 2, paragraph 1

1. The EGCC can be made up of Member States and/or regional and local authorities and/or local public bodies, hereafter referred to as “members”.

Amendment 20
Article 2, paragraph 1

1. The EGCC can be made up of Member States and/or regional and local authorities and/or local public bodies, hereafter referred to as ‘members’.

1. The EGTC can be made up of Member States and/or local public bodies, and/or of other bodies acting on a not-for-profit basis, in which regional/local authorities and Member States participate, hereafter referred to as ‘members’.

Amendment 21
Article 2, paragraph 3

3. The members can decide to set up the EGCC as a separate legal entity, or to assign its tasks to one of the members.

3. The members set up the EGTC as a separate legal entity and it may assign its tasks to one of the members.

Justification

As presently worded, this provision suggests that members may choose another framework for the EGTC’s activities in addition to the two kinds of organisational structure specified. The wording of Article 2(3) must be clarified, therefore, by deleting the words 'can decide to'.
Amendment 22
Article 3, Title

**Competence**

**Tasks and competencies**

**Justification**

*This article defines both the competencies and the tasks of the EGTC.*

Amendment 23
Article 3, paragraph 1

1. The *EGCC* carries out the tasks which it is assigned by its members in accordance with this regulation. Its competencies are defined by a convention of European cross-border co-operation, hereafter referred to as “convention”, which is passed by the members, in conformity with article 4 of this regulation.

1. The *EGTC* carries out the tasks which it is assigned by its members in accordance with this regulation. Its competencies are defined by a convention of European grouping of territorial co-operation, hereafter referred to as “convention”, which is passed by the members, in conformity with article 4 of this regulation.

**Justification**

*See justification to Amendment 2.*

Amendment 24
Article 3, paragraph 2

2. *Within the limits of its tasks, the EGCC acts on behalf of its members. To this end, the EGCC is invested with the legal capacity accorded to legal entities by national legislations.*

2. *The EGTC shall act within the confines of the tasks entrusted to it; the execution of those tasks may be delegated to one of its members.*

**Justification**

*The EGTC is invested with legal personality, and accordingly it executes the tasks specifically entrusted to it, taking responsibility and assuming liability for them. (Obviously, it is assumed that the EGTC acts in the interests of its constituent members, although there is no legal obligation to that effect.) The EGTC, as a legal entity, has legal capacity, which is one of the inherent characteristics of legal personality. The EGTC may execute the tasks entrusted to it directly (as a grouping) or delegate the execution of those tasks to one of its members.*
Amendment 25  
Article 3, paragraph 3, subparagraph 1

3. The **EGCC** can be given the task either of implementing *cross-border* co-operation programmes co-financed by the community, notably through the structural funds, or of carrying out any other action of cross-border co-operation with or without community financial intervention.

3. The **EGTC** can be given the task either of implementing *territorial* co-operation programmes co-financed by the community, notably through the structural funds, or of carrying out any other action of cross-border co-operation with or without community financial intervention.

*Justification*

See justification to Amendment 2.

Amendment 26  
Article 3, paragraph 3 a (new)

3a. No financial liability shall 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.

*Justification*

The best Interreg programmes have already introduced cross-border projects on the goodwill basis of common management, financing, guarantees and control. The aim of this Regulation is to increase and intensify the existent transitivity of borders, connecting diverse legal systems and giving the regional and local organisations the possibility to co-operate across the borders without prior consent of Member States. This results in an increase of responsibility. Member States can become members of the EGTC, but in case that they are not members, they should not be supplementary financially liable for the activities of the EGTC.

Amendment 27  
Article 4, Title

Convention of European *cross-border* cooperation  
Convention of European *grouping of territorial* cooperation
Amendment 28  
Article 4, paragraph 1  

1. All EGCC are the subject of a convention.  

1. The EGTC shall be the subject of a convention drawn up by its members.  

Amendment 29  
Article 4, paragraph 2  

2. The convention specifies the tasks of the EGCC, its duration and the conditions for its dissolution.  

2. The convention specifies, in particular, the operating principles, the competences and tasks of the EGTC, its duration and the conditions for its dissolution.  

Amendment 30  
Article 4, paragraph 3  

3. The convention is limited solely to the domain of cross-border co-operation determined by its members.  

3. The convention is limited solely to the domain of territorial co-operation determined by its members.  

Justification  

See justification to Amendment 2.  

Amendment 31  
Article 4, paragraph 4  

4. The convention stipulates the responsibilities of each of the members with respect to the EGCC and with respect to third parties.  

Justification  

Article 7(2) regulates this subject in detail.  

Amendment 32  
Article 4, paragraph 5  

5. The convention defines the law  

5. The convention defines the law
applicable to its interpretation and enforcement. The applicable law is from one of the Member States concerned. In case of a dispute between members, the competent jurisdiction is that of the Member State whose law was chosen.

Amendment 33
Article 4, paragraph 6

6. The convention establishes the modalities of mutual recognition in the field of control.

Justification

The wording is imprecise; this question should be determined by the regulation, not by the Convention. As Amendment 18 to Article 1(3)a) (new) raises the question of recognition in the field of control, Article 4(6) can be deleted.

Amendment 34
Article 4, paragraph 6a (new)

6a. The EGTC shall be subject to the law governing the way in which associations operate of the State designated by its members.

Justification

The Commission proposal makes no provision for EGTC registration procedures or for procedures whereby the EGTC's registration process and compliance with the Regulation and with the national law of the designated Member State may be checked. This is a necessary provision, which is why Amendment 31 proposes that the EGTC registration procedure be subject to the rules and regulations that apply to the registration of associations, and that the place of registration and the applicable law be determined in accordance with the decision reached by the EGTC members as to the choice of Member State whose national law shall apply to the EGTC.

Amendment 35
Article 4, paragraph 7

7. The conditions for granting concessions or public service delegations to the EGCC

7. The conditions for granting concessions or public service delegations to the EGTC
within the cross-border co-operation are to be defined in the convention, on the basis of the applicable national law.

within the territorial co-operation are to be defined in the convention, on the basis of the applicable national law.

(The first part of the amendment does not affect the English version.)

Amendment 36
Article 4, paragraph 8

8. The convention is notified to all its members and to the Member States.

8. The convention is notified to the Member States involved in the EGTC, to the Commission and to the Committee of the Regions. The Commission shall enter the convention in a public register of all conventions on EGTCs.

Justification

It is not necessary to present the convention to the EGTC members, but we do need to clarify which Member States need to be notified - i.e. those who are affected by the convention. It would also be appropriate to place at its disposal a database covering all the EGTCs set up on Union territory, and to entrust this task to the Committee of the Regions.

Amendment 37
Article 5, paragraph 2, points a) to e)

2. The statutes contain the following provisions:
   a) the list of its members;
   b) the objective and tasks of the EGCC, and its relations with the members;
   c) its name and the address of its seat;
   d) its organs and their competencies, its functioning, the number of representatives of the members on the organs;
   e) the decision-making procedures of the EGCC;

2. The statutes contain the following provisions:
   a) the list of its members;
   b) the objective and tasks of the EGTC;
   c) its name and the address of its seat;
   d) its organs, which shall include an assembly composed of representatives of its members, an executive committee, its competencies, its functioning, the number of representatives of the members of the organs and a secretariat. The statutes may provide for supplementary organs;
   e) the decision-making procedures of the EGTC;

Justification

Every entity having legal personality can establish its own organs in accordance with the law
governing the way in which it operates. It would seem advisable, therefore, to leave the choice of organisational system up to the EGTC members, subject to the proviso that every EGTC should have an assembly representing all its members and an executive committee, i.e. an executive body composed of one or more persons. It should also be up to EGTC members to specify the arrangements for EGTC representation, i.e. who can represent the grouping in what field, whether it should be represented by one or more persons when concluding agreements, etc.

Amendment 38
Article 5, paragraph 2, point i a) (new)

ia) the modalities for its dissolution.

Justification

In order to guarantee its democratic and transparent management every EGTC should have an assembly made up of representatives of all its members and an executive committee and/or director, who are answerable to the assembly. The statute should also contain provisions regarding the dissolution of the EGTC. Amendment 36 of the rapporteur, which deletes Article 6, is complementary to this amendment.

Amendment 39
Article 5, paragraph 4

4. Upon adoption of the statutes, the EGCC has the capacity to act, in accordance with article 3, paragraph 2.

Justification

Amendment 31, which inserts a new provision, Article 6a, proposes the introduction of EGTC registration procedures based on the law applicable to the registration of associations. Consequently, it is appropriate to confirm the fact that the EGTC acquires legal personality and the capacity to act pursuant to the law applicable to the registration of associations. Consequently, the text of Article 5(4), which is insufficiently precise, should be withdrawn.

Amendment 40
Article 6

Organs

1. The EGCC is represented by a director, who acts on its behalf.
2. The EGCC can equip itself with an assembly, which is made up by representatives of its members.

3. The statutes can envisage supplementary organs

**Justification**

Amendment 34 proposes to reword Article 5(2)(d) and insert a new Article 5(2)(da), leaving the choice of organisational system for the EGTC up to its members, provided that each EGTC has an assembly and an executive committee, and specifying that rules concerning the representation of the EGTC must be laid down. Consequently, the provisions of Article 6(1), which are inconsistent with Amendment 34 and place unjustifiable limits on the competencies of EGTC members, should be withdrawn.

**Amendment 41**

**Article 8**

The *EGCC* is published in the Official Journal of the European Union, once it has the capacity to act, in accordance with article 5, paragraph 4. As of this instant, the legal capacity of the *EGCC* is recognised in each Member State.

This publication includes the name of the *EGCC*, its objective, the list of its members and the address of its seat.

*After the EGTC has acquired legal personality in accordance with the law of the Member State designated by its members, the statutes establishing the EGTC shall be* published in the Official Journal of the European Union.

This publication includes the name of the *EGTC*, its objective, the list of its members and the address of its seat.
EXPLANATORY STATEMENT

1. **General background**

The primary objectives of the European Union include strengthening economic, social and territorial cohesion through cross-border, transnational and interregional cooperation. Such cooperation also promotes the balanced and harmonious integration and development of the territory of the European Union.

To attain the new objective of ‘European territorial cooperation’, the Commission proposes allocating a total budget of €13.5 billion to cross-border, transnational and interregional cooperation for the 2007-2013 period, which amounts to 4% of total Structural and Cohesion Funds for that period and an increase of 14% compared to the 2000-2007 period.

The European Parliament has stressed the importance of cross-border, transnational and interregional cooperation for European integration\(^1\), and the importance of introducing a separate objective for territorial cooperation on the basis of the success achieved by the INTERREG initiative\(^2\).

The **legal basis** of the proposal for a regulation establishing a European grouping of cross-border cooperation (EGCC) is Article 159, third paragraph, of the EC Treaty. This article provides the specific legal basis established by the Treaty to allow *specific actions to be taken outside the funds* in order to achieve the objective of greater economic and social cohesion laid down in Article 158 of the Treaty.

Territorial cohesion, in addition to economic and social cohesion, is referred to several times in the draft European Constitution, and recognised as one of the Union’s objectives and shared competences\(^3\). Article III-220 of the draft Constitution (the present Article 158 of the EC Treaty) requires particular efforts to be addressed to cross-border regions, among others.

2. **Purpose of the Commission proposal**

The Commission proposal forms part of a legislative package of proposed new regulations on the Structural Funds for the 2007-2013 period, comprising a general regulation establishing a set of common rules applying to all the instruments and specific regulations covering the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund. It also forms part of the package of internal and external instruments relating to cross-border cooperation inside the European Union (European grouping of cross-border cooperation), with candidate countries or potential candidate countries (pre-accession

\(^1\) Resolution on cross-border and interregional cooperation of 16.05.1997 (A4-161/1997, rapporteur: Mr Miller); resolution on cross-border and interregional cooperation of 09.06.1992 (A3-188/92, rapporteur: Mr Cushnahan); resolution on cross-border cooperation at the internal frontiers of the European Community of 12.03.1987 (A2-170/86, rapporteur: Mr Poetschki).
\(^3\) Articles I-3(3), I-14 and II-96.
instrument) and with third countries with which the European Union wishes to establish neighbourly relations (European neighbourhood and partnerships instrument).

As stated in the explanatory memorandum and preamble to the proposed regulation (recital 1 of the Commission’s proposal for a regulation), the purpose of the proposal is to achieve the objective of social and economic cohesion envisaged by the Treaty (Article 158 ECT) and strengthen cross-border cooperation by improving the implementation conditions for actions of cross-border cooperation. The Commission proposal aims to reduce the obstacles and difficulties encountered in managing actions of cross-border, transnational or interregional cooperation within the framework of differing national laws and procedures by creating a cooperation instrument at Community level to allow the setting-up on Community territory of cooperative groupings invested with legal personality to be known as ‘European groupings of cross-border cooperation’ (EGCC), recourse to which will be optional (recitals 2 and 7, and Article 1, of the Commission proposal).

3. Assessment by the rapporteur of the main features of European groupings of cross-border cooperation

- The proposal for a regulation establishing European groupings of cross-border cooperation aims to provide an appropriate framework to facilitate cross-border, transnational and interregional cooperation (title, recital 1 and Article 1 of the Commission proposal).

Your rapporteur believes that this new instrument should be known as the ‘European grouping of territorial cooperation (EGTC)’ to reflect the three aspects of the new European territorial cooperation objective proposed by the Commission for the 2007-2013 period: cross-border, transnational and interregional (amendments 1, 2, 5, 6, 8, 10, 12, 13, 14, 20, 22, 24, 27 and 32).

Your rapporteur also considers that the entry into force of the EGTC should not affect the validity of existing agreements, or prevent Member States which wish to do so from negotiating (bilateral or multilateral) cross-border cooperation international agreements (amendment 7).

- Composition of the EGCC (Article 2(1) of the Commission proposal): The EGCC can be made up of Member States, regional and local authorities and/or other local public bodies, referred to hereinafter as ‘members’.

Your rapporteur considers that, by its very nature, European territorial cooperation will help this instrument to facilitate cooperation between regional authorities and/or local authorities without any intervention by the Member States (amendments 10 and 17).

- Your rapporteur would like to stress that the setting up of a EGCC will result in the national public authorities of the Member State whose law applies to the EGCC having the right of oversight in respect of the way in which any national or Community financial assistance is used (amendment 16).
The EGCC is invested with the legal capacity accorded to legal entities by national legislation because of the nature of its activities and the tasks delegated to it. The legal capacity of the EGCC is that accorded to legal entities by the relevant national legislation (Article 3(2) of the Commission proposal).

Your rapporteur stresses that the EGCC must confine its activities to carrying out specific tasks. The EGCC acts in performance of the tasks delegated to it, which may be assigned to one of its members. Moreover, the EGCC must exist as a legal entity (with or without legal personality) by virtue of binding national legislation such as the law on associations (amendments 19, 21 and 31).

Setting up the EGCC: The Commission proposal offers two possibilities (Article 2(3) of the Commission proposal):
- the members of the EGCC can set it up as a separate legal entity if they wish, in which case the EGCC itself carries out the relevant cross-border cooperation tasks, or
- the members set up an EGCC and the EGCC decides, according to its own decision-making system, to delegate to a regional or local authority which is a member of the EGCC the tasks of the EGCC. This authority will then carry out the tasks delegated to the EGCC.

Your rapporteur considers that the text should not state that members ‘can decide to set up the’ EGCC in accordance with one of these two options, but that they ‘set up’ the EGCC (amendment 18).

The tasks and competencies of the EGCC must be specified by its members in a convention of European cross-border cooperation (Article 4 of the Commission proposal).

Your rapporteur considers that the EGCC is the subject of the convention of European cross-border cooperation drawn up by its members (amendment 25).

The convention specifies:
- the tasks of the EGCC, its duration and the conditions for its dissolution (Article 4(2))
- the responsibilities of each of the members with respect to the EGCC and with respect to third parties (Article 4(4));
- the law applicable to its interpretation and enforcement (Article 4(5)). The applicable law is that of one of the Member States concerned, either by virtue of its participation in the EGCC, or by virtue of the participation of a local authority or public body situated on the territory of that Member State. It may also be the law of the Member State where the EGCC has its seat;
- the modalities of mutual recognition with regard to control (Article 4(6)); in addition, the convention must be notified to all its members and to the Member States involved (Article 4(8)).
Your rapporteur considers that:

- Article 4(2): the Convention must specify, in particular (the list is not exhaustive) the operating principles of the EGCC, the tasks of the EGCC, its duration and the conditions for its dissolution (amendment 26);
- Article 4(4): the question of the responsibilities of each of the members is adequately covered by Article 7(2) concerning the responsibilities of the Member States (amendment 28);
- Article 4(6): the modalities of mutual recognition as regards the right of supervision should be specified in the text of the regulation itself, not in the convention. Your rapporteur proposes, therefore, adding a new paragraph to Article 1(3) on this subject (see amendment 16) (amendment 30);
- the law applying to the EGCC should be the law governing associations in the Member State concerned (amendment 31);
- Article 4(8): the Convention should also be notified to the Committee of the Regions (amendment 33).

The EGCC shall adopt its statutes (Article 5 of the Commission proposal) and equip itself with its own organs (Article 6 of the Commission proposal). The EGCC always has a director. However, the EGCC is free to decide whether to equip itself with an assembly consisting of representatives of its members or of other bodies.

- Your rapporteur considers that the statutes should also include provisions concerning the representation of the EGCC, including an assembly consisting of representatives of its members and an executive committee (amendment 34). To that end, he proposes deleting Article 6 on the organs of the EGCC and including those provisions in the article on the statutes of the EGCC (amendment 36).

The setting up of the EGCC is announced in the Official Journal of the European Union. As of that instant, the legal capacity of the EGCC is recognised in each Member State (Article 7 of the Commission proposal).

Your rapporteur considers that, once the EGCC has been invested with legal personality in accordance with the applicable national law in the Member State concerned, the statutes setting up the EGCC should be published in the Official Journal of the European Union (amendment 37).
### Title
Proposal for a regulation of the European Parliament and of the Council on establishing a European grouping of cross-border cooperation (EGCC)

### References

### Legal basis
Articles 251(2) and 159(3) TEC

### Basis in Rules of Procedure
Rule 51

### Date submitted to Parliament
15.7.2004

### Committee responsible
- **Date announced in plenary**: REGI 17.11.2004

### Committee(s) asked for opinion(s)
- **-date announced in plenary**: BUDG 17.11.2004, CONT 17.11.2004

### Not delivering opinion(s)
- **Date of decision**: CONT 23.3.2005, BUDG 31.1.2005

### Enhanced cooperation
- **Date announced in plenary**

### Rapporteur(s)
- **Date appointed**: Jan Olbrycht 6.10.2004

### Previous rapporteur(s)

### Simplified procedure
- **Date of decision**

### Legal basis disputed
- **Date of JURI opinion**

### Financial endowment amended
- **Date of BUDG opinion**

### European Economic and Social Committee consulted
- **Date of decision in plenary**

### Committee of the Regions consulted
- **Date of decision in plenary**

### Discussed in committee

### Date adopted
16.6.2005

### Result of final vote
- **for**: 43
- **against**: 1
- **abstentions**: 3

### Members present for the final vote
Alfonso Andria, Stavros Arnaoutakis, Jean Marie Beaupuy, Rolf Berend, Jana Bobošíková, Graham Booth, Bairbre de Brún, Giovanni Claudio Fava, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Zita Gurmai, Konstantinos Hatzidakis, Mieczysław Edmund Janowski, Gisela Kallenbach, Miloš Koterec, Constanze Angela Krehl, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, Jan Olbrycht, István Pálfi, Markus Pieper, Francisca Pleguezuelos Aguilar, Bernard Poignant, Elisabeth Schroedter, Alyn Smith, Grażyna Staniszewska, Catherine Stihler, Kyriacos Triantaphyllides, Vladimír Železný

### Substitutes present for the final vote
Alfredo Antoniozzi, Inés Ayala Sender, Jan Březina, Simon Busuttil, Den Dover, Mojca Drčar Murko, Richard Falbr, Věra Flasarová, Louis Grech, Ewa Hedkvist Petersen, Miroslaw Mariusz Piotrowski,
<table>
<thead>
<tr>
<th><strong>Substitutes under Rule 178(2) present for the final vote</strong></th>
<th>Richard Seeber, Thomas Ulmer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date tabled – A6</strong></td>
<td>Sharon Margaret Bowles, Albert Deß</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>...</td>
</tr>
<tr>
<td><strong>Date tabled – A6</strong></td>
<td>21.6.2005</td>
</tr>
<tr>
<td></td>
<td>A6-0206/2005</td>
</tr>
</tbody>
</table>