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Territorial Structures for Transborder Development; Efficiency and Financing

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Abstract

The European Territorial Cooperation Groups (EGTCs) are modern structures that can bring more economic and social development to partner countries / regions. Taking into account the EU social and territorial cohesion policies, these new structures represent a concrete response to the needs of social and economic development of certain countries that have common borders and who want to capitalize on common resources on the respective territory. Each state or region can bring to this type of association the resources they want to share with other states in order to use them more efficiently. Within such territorial groupings can be funded various projects from European sources, among which Transnational Danube Program 2014-2020. We have also presented an European structure for territorial cooperation, one of the ESPON Program and the second BANAT-TRIPLEX CONFINIUM in Romania.

Keywords: *European Territorial Cooperation Group, EU policy on social and territorial cohesion, economic efficiency of an European Territorial Cooperation Group, financing an European Territorial Cooperation Group through European projects.*

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1. Introduction

The European Territorial Cooperation Groups (ETCG) represents structures for territorial development and cooperation.

ETCG represents a concrete answer to the EU policies of social and territorial cohesion, being an instrument of economic and territorial cooperation between European countries and regions. It is a non-profit private legal entity with its own patrimony and established in the territory of an EU Member State. It carries out public interest activities facilitating territorial cooperation and is constituted by the association of entities from at least two countries, of which at least one is a member state of the EU. An EGTC can also include regions from EU countries that can participate in their own name alongside EU countries.

2. Problem Statement

Territorial development, and especially at EU level, is an important direction that can ensure the attraction of new economic, financial and human resources which, combined smartly, can in fact constitute a new vector of economic development. Numerous studies have been carried out on integration of territorial development among the important factors of economic development. [1] The novelty consists precisely in the development of scenarios that include the territorial development among the important factors of the socio-economic development.

3. Research Questions/Aims of the research

The purpose of our research is to identify, evaluate and capitalize on new development factors and territorial cooperation that allow the scenarios of economic development of an area / territory, including from several EU countries, to be achieved. Such territorial structures can be achieved both between EU Member States and with non-EU countries but having common borders with it [3].

4. Research Methods

Specific attributions of such a structure of territorial cooperation

The specificity and economic benefits of the EGCT

Each assignment is set by its members, this being within the competence of each member, unless the Member State or third country approves the participation of a member constituted under its domestic law, even when the member has no Competence for all attributions specified in the convention. The EGTC acts on behalf of their members, which adopt the statutes by means of special conventions, which describe the organization and activity of the EGTC

- Advantages resulting from the EGTC

The EGTC can act as a single beneficiary to obtain funding from the European territorial cooperation programs (in compliance with the rules specific to each program)

There is a high degree of compliance and continuity for project implementation;

The existence of a concentration of human and material resources useful for accessing future European territorial cooperation programs;

Existence of extensive legal personality that makes it possible to have a budget and to employ staff as well as to carry out projects;

Meeting the eligibility conditions in view of the possible membership category as part of the EGTC;

Good external visibility since the EGTC is public both on the MDRAPFE site and on the Committee of the Regions' website in Brussels;

The possibility of a good transfer of experience in order to increase institutional capacity.

The difference between fulfilling a workload and working competencies from the EGTC point of view

> Each task is determined by the members of the EGTC as deriving from the competence of each member

> National / regional competencies are transferred to EGTC members, they remain at the individual level of the EGTC members, and only certain tasks are transferred

Examples of typical tasks for EGTCs derived from the specificity of transnational projects

- Strengthening activities that increase visibility and network positioning in Europe;
- Implementation of sustainable communication strategies within the network
- Obtaining and managing EU funds
- Developing common development strategies for transnational territory

Financing sources

The main source of funding for such territorial cooperation structures are the European Funds and Programs. Among the last we will refer to the Danube Transnational Program 2014-2020



Source: MDRAPFE 2016

Fig. 1. Danube Transnational Programme Area

I. Topic priorities

The Priority Axes of this Program are:

Priority Axe 1 – Innovation and social responsibility in the Danube Region

- Improving framework conditions for innovation
- Increasing competencies for innovation in the social and business environment

Priority Axe 2 - Responsibility towards the environment and culture in the Danube Region

- Sustainable use of patrimony and natural and cultural resources
- Supporting the restoration and transnational water management and preventing flood risks

- Improving response capacity and emergency management
 - Priority Axe 3 – Connectivity in the Danube Region
- Supporting environmentally friendly and safe transport systems and equal accessibility of rural and urban areas
- Improving security and energy efficiency
 - Priority Axe 4 – Good Governance in the Danube Region
- Improving institutional capacity to respond to social challenges
- Support the governance and implementation of SUERD
 - Priority Axe 5 – Technical assistance dedicated to financing the management structures of the Program and their activities
- Facilitate the implementation of the Program

II. Financing and Implementation

The total Budget of the Program is 262.989.835,60 euro.

The co-financing rates (for member states):

- Priorities 1-4 : 85% The European Fund for Regional Development (EFRD) + 15% national co-financing
- Priority 5 : 75% EFRD + 25% national co-financing

Implementation of the Transnational Program „The Danube” 2014-20202

How to Implement the Program

Awarding non reimbursable financing in a competitive manner, in a Call for Project Proposals between 2015-2018

Types of projects :

- Transnational cooperation projects must have the following characteristics :
 - Partners from at least 3 states participants in the program
 - Development, implementation, funding and staff with the contribution of all partners
 - Transnational character of the actions
 - Pre-investment actions: no large investments, but possibly pilot projects

Eligible Beneficiaries

- Local / regional / national authorities
- Bodies of public law
- European Groupings of Territorial Cooperation (EGTC)

- Interational Organizations
- Private bodies, including SMEs

Partnership

- At least 3 partners
- There is no maximum number of partners, but the Lead Partner must be from an EU member country

The implementation period of a project financed by the Danube OP will last for 30 months.

Eligible Expenditures:

In order to be eligible at project level, expenditure must meet the following general criteria:

- To refer to the activities related to the implementation of the project, as provided in the application approved by the Monitoring Committee
- To be in line with the principles of efficiency, effectiveness and economy
- To obey the principles of actual costs, excluding costs calculated on the basis of flat rates or fixed amounts
- To be generated and paid by the project partners indicated in the application within the project implementation period i
- To be related to activities that were not funded by another financial instrument
- To be supported by invoices or other evidence documents directly linked to each partner

Eligible Expenditures within the Program:

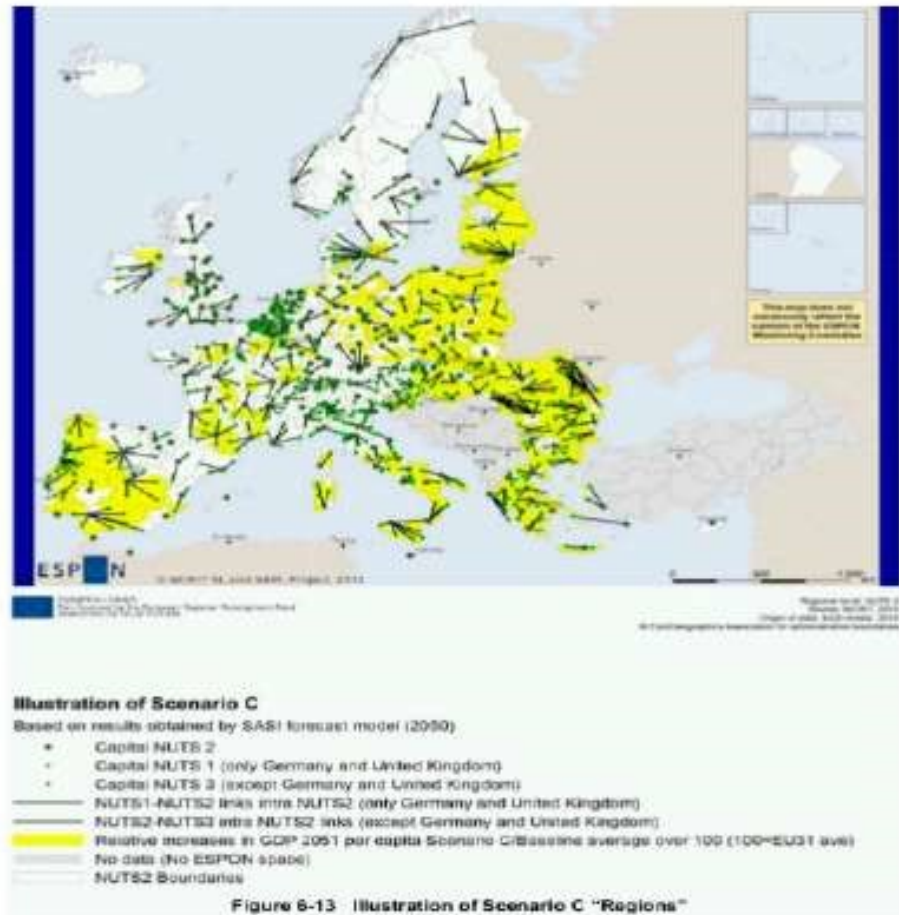
- Staff Costs
- Administration Costs
- Travel and accommodation
- Expertise and external services
- Equipments
- Small scale investments
- Costs of project preparation
- Costs of closing the project

5. Findings

Example de EGTC structures in Europe and Romania

a. GECT ESPON

Several such structures have been set up at EU level and have proven viable for a long time because of the economic performance they have demonstrated. In the picture below, there are several such territorial structures that have benefited from the organizational framework provided by the ESPON European Project.



Source: MDRAPFE 2016

b. GECT in Romania BANAT – TRIPLEX CONFINIUM

In our country there already exists such a territorial structure at the border Romania-Hungary-Serbia, which has proved its efficiency by the investments attracted in this area.



Source: MDRAPFE 2016

6. Discussions

The presented territorial development models can bring, both theoretically and in the current practice, many aspects which, harmoniously conjugated and taking into account the directions of economic and social development in the area / region, numerous elements that can positively boost economic growth. Of course there are limits to which these models of territorial economic development structures can bring, through its specific features, an increase in economic growth [2].

7. Conclusions

This new European Territorial can add significant Cooperation structure value by:

- Creating a strategic approach to integrate different actions in the context of a common policy
- Implementing the activities in line with the principle of the subsidiarity
- the existence of a better structure for exchange of information and best practices
- structure and activities on permanent basis
- decisions with legal obligation and long-term commitment of the members
- partners involvement in decision-making process and ownership of results

- transparency and visibility of the structure
- better and more efficient management of the project
- easier auction and acquisition procedures
- staffing easier to hire.

All these advantages make the EGTC easier to build, funded and implemented across Europe, with the resulting economic efficiency for the component countries / regions being high, giving it extra attractiveness.

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