



EPICAH

Effectiveness of Policy Instruments for Cross-Border Advancement in Heritage:

Main conclusions about how to improve CBC programmes

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PREAMBLE

Borders are an area of limits or opportunities, it depends how you look at them. They can be the last virtual Wall – but not for being the last is less real – or they can be an open area for a new reality of cooperation and economic development due to the critical mass they represent.

Another characteristic of the border territories that we should take into account: borders are peripheral territories regarding national decision-making centres. Moreover, if we look at them from the European Union territory point of view, borders are the peripheral areas of the EU periphery. In spite of which 47% of the European Union population live in border areas.

The number of inhabitants living in border areas is due more to the length and high number of internal borders of the European Union than to the existence of big urban centres. This is other characteristic of border territories: its low population density.

Boost economic development to fix population and territorial cohesion should be a priority for the European Commission, as it is for entities that for more than 25 years now work in cooperation as a development strategy.

If something we have clear from the experience gained these years is that tourism is one of our highest strengths and one of the greatest engines for a dynamic and diversified economic development. For this reason, we have created a dynamic concept “two countries, one destination” or the newest one: “do not cross the border; go all over it”.

However, to have tourism we need to promote the preservation and sustainable development of natural and cultural heritage we have and that are one of our main asset as touristic destination. The St. James Way is a great example of how a reality existing since Middle Age, thanks to modern marketing strategies, has developed an important recovery process and became one of the main touristic resources, at global level.

And this is what we have analysed in EPICAH and now present to you in this report with the aim to contribute to a better and more efficient implementation of cooperation funds for the economic development of borders, thanks to the inclusion of tourism among its priorities.

One final recommendation: The European Union has not a tourism policy. It has never had as it has neither have a policy for natural and cultural heritage preservation (with the exception of some initiatives within LIFE programme, more focused to the natural heritage than to the cultural or historical one). This is a situation that we should urgently revert launching a participative process to create a real tourism and European heritage policies, implemented with the assistance of financial instruments created for them.

Being confident on this, we present you our contribution.

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INTRODUCTION

In the framework of EPICAH (Effectiveness of Policy Instruments for Cross-Border Advancement in Heritage) project, cofinanced by the European Union through the INTERREG EUROPE programme 2014-2020, 7 European cross border areas, on the basis of their territorial experience and of a specific online survey that covered all the borders tackled by the project, have elaborated a set of RECOMMENDATIONS for the next programming period (2021-2027) hopping to be included in the future Regulations.

The seven border areas of EPICAH project, representing a population of dozens of millions inhabitants are:

- Spain - Portugal
- Hungary - Slovakia
- Italy – France Maritime
- Western Macedonia
- Estonia - Latvia
- Czech Republic - Bavaria
- Romania - Hungary

The Recommendations are divided into the following chapters:

1. Simplification of Rules and procedures
 - 1.1 Implementation of the Final conclusions and recommendations of the High Level Group on Simplification for post 2020
 - 1.2 A Common Strategy for European Territorial Cooperation
2. Governance
 - 2.1 Observatory of Territorial Cooperation and Annual Forum of ETC
 - 2.2 Programming
 - 2.3 Financing
 - 2.4 Programme management
3. The entities created for the development of initiatives for European Territorial Cooperation, including Cities, Cities networks and Metropolitan Areas should have the right to be associated to the reflexion (European Territorial Cooperation strategies and Operational Programmes definition).
4. Audit and Control Rules.

These recommendations are presented hereafter for your consideration.

How to improve CBC programmes

According to the experience of the European Union border areas there is room for improvement in the next European Union funds programming period starting in 2021.

The improvements recommended are the most important in the following aspects:

- Simplification of Rules and procedures.
- Governance.
- The entities created for the development of initiatives for European Territorial Cooperation, including Cities, Cities networks and Metropolitan Areas should have the right to be associated to the reflexion (European Territorial Cooperation strategies and Operational Programmes definition).
- Audit and Control Rules.

1 - Simplification of Rules and procedures

1.1 Implementation of the Final conclusions and recommendations of the High Level Group on Simplification for post 2020

The implementation of the Final conclusions and recommendations of the High Level Group on Simplification for post 2020 had been created by the Commission decision COM(2015)4806 – 10 July 2015, in general and in particular those related to the European Territorial Cooperation¹.

Despite the efforts so far, border stakeholders voice their concern at the existence of persisting challenges faced by border citizens and businesses when interacting across the border. These have direct and indirect impacts on their daily life: certain activities are still more complicated to perform across an internal EU border than they are inside a Member State. For instance, it is still difficult to take up a job on the other side of the border or to get treated in a hospital there even if there is very close proximity. Border obstacles are all the more visible in highly integrated border regions with a high level of interaction across the border – the more you want to interact with the other side of the border, the more the challenges become visible.

So far, work undertaken by the Commission services has highlighted a number of legal and administrative obstacles along many EU internal borders. Over the past 24 months, the European Commission has unveiled evidence to demonstrate that significant obstacles negatively affect life in border regions. Many aspects are affected such as difficult access to employment, difficult access to healthcare, complex access to education and training, use of different technical standards, non-recognition of qualifications, and lack of local cross-border public transport. Even in sectors where there is a comprehensive European legal framework obstacles appear which can be clearly linked to the presence of a national border.

On the other hand, there are in Europe numerous examples of institutional cooperation across borders that have made cross-border activities simpler, less costly and altogether more attractive. Cooperation associations such as the Benelux Union or the Nordic Council of Ministers aim at reducing the negative border effects between their members. At regional level, there are also examples such as the Upper Rhine Convention. However, the picture is rather patchy and is far from covering the entire EU territory.

Other non-governmental entities with a legal nature and a permanent activity and with extensive experience in promoting cooperation initiatives and in the monitoring of integrated programs in the various European territorial cooperation plans, exists. Like EGTC's (European Grouping of Territorial Cooperation) and other

¹ http://ec.europa.eu/regional_policy/sources/newsroom/pdf/simplification_proposals.pdf

cross border and transnational associations, they are also giving their important and sometimes decisive contribution to improve citizen's life in the internal and external border areas of the Union.

For the purpose of responding to main stakeholders concerns as mentioned in this report Regulations for the future (2021 onwards) should be less extend and more clear and simplified in what concerns Governance (thematic flexibility, programming, program management) financing and pre-financing, evaluation and control.

1.2 Common Strategy for European Territorial Cooperation

A common Strategy for European Territorial Cooperation should be adopted prior to the identification of programmatic instruments for its implementation. This Strategy should be prepared by Commission Services in close consultation with all stakeholders, cities and metropolitan areas, and other non-governmental entities, with a legal nature and a permanent activity and with extensive experience in promoting cooperation initiatives and in the monitoring of integrated programs in the various European territorial cooperation plans.

Profitable private sector should be considered as a final beneficiary (as grant beneficiaries) as long as their participation is duly justified in terms of provision of maximum sustainability, consistency with the project scope and results durability for the whole project.

2 - Governance

European territorial cooperation should continue to be structured in the current cooperation levels, and a new generation of transnational programs should be set up to implement formalized macro-regional strategies or to prepare regional strategies where macro-regional strategies do not exist.

While there is a need to introduce significant adjustments, European territorial cooperation should continue to be structured in the current cross-border, transnational and inter-regional cooperation levels.

At the cross-border level, European territorial cooperation should cover internal cross-border regions, border regions with neighbouring countries of the European Union (southern and eastern shores of the Mediterranean, North Africa, pre-accession countries, IPA-CBC (Instrument for Pre-accession Assistance - Cross Border), Russia, ENI CBC (European Neighbouring Instrument for Cross Border Cooperation) and the Outermost Regions and neighbouring ACP countries).

Cooperation at the external borders of the European Union should stimulate direct articulation between institutions without the necessary participation of central States, in particular with the Portuguese-speaking countries (PALOP), Morocco, Algeria, Egypt, Jordan, Lebanon, Tunisia, Palestine, Israel, Ukraine and Moldova, where local and regional authorities and other entities are already very active.

This cooperation level should focus not only on solving the problems of citizens in cross-border territories and on the implementation of economic, environmental and social development strategies for cities, urban and metropolitan areas and border areas but also on their capacity to assume, as the engine of change, innovation and living lab on a scale of new policies close to the citizen.

At the interregional level, common responses should be found to the new problems posed by globalization and the new digital economy – maintaining the focus on the exchange of knowledge and good practices -, with valuing the circumstance that it is the only programme affecting the whole of the European Union.

The effectiveness of responses and 'joint' solutions to the obstacles of cross-border maritime cooperation can only be determined at the level of homogeneous and functional geographical areas.

The concept of maritime neighbourhood cannot be conditioned by the anomalous administrative condition of fixing a single distance kilometre for cross-border area that does not comprises the diversity of the existing dynamics nor to the history of the relationships.

The current transnational programs show a significant dispersion of objectives and disarticulation with mainstream programmes and cross-border cooperation programs. They also show an inertia of continuity in the respective management structures, and they are often mere instruments of affirmation by the regional authorities, reducing the intervention of cities and metropolitan areas to simple monitoring.

A new generation of transnational programs should be set up to implement formalized macro-regional strategies, or to support the development of regional strategies where they do not exist, which means that priority should be given to defining such strategies, while respecting the principle of subsidiarity and a process bottom up, the programs becoming instruments of their implementation.

Macro-regional strategies should emerge from regional policy and be based on participation and consensus with regional, local and urban authorities as well as entities set up for European territorial cooperation with a legal nature and a permanent activity, observing the principle of partnership. Territorial agents (local, regional, economic, and social actors) should participate in both the definition and the management bodies of the macro-region, which should also be recognized by the European Commission.

The cross border and peripheral regions of the European Union are likely to benefit greatly from this approach, in particular as regards macro-regional strategies for the Danube, the Atlantic, the Baltic, the Mediterranean, the Adriatic and the Black Sea, among others.

In several programmes, despite the existence of evaluation criteria's and priorities of investment and thematic, partnerships composition are more relevant to the evaluators than the quality of the project proposals (or because there are partners with significant (political) power to influence the evaluators decision or because evaluators doesn't have technical knowledge to evaluate the quality of all the proposals in presence due to the wide range of themes they can address or even because it is more important to assure a partnership with sufficient experience and financial capacity to asseverate a relevant level of execution of the approved projects).

In this context is relevant to question if cross-border cooperation programmes should have as single beneficiaries (formal and informal) cross-border entities regarding not only their daily work in the promotion of cross-border cooperation but also as main agents of the implementation of cross-border cooperation programmes and activities.

2.1 Observatory of Territorial Cooperation and Annual Forum of ETC

Effective monitoring of European territorial cooperation programs in the strategic and operational levels is a critical element in targeting objectives and achieving the desired results. Entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity should have a greater participation in the definition of objectives and programs and their monitoring.

At European level, the European Commission should promote the creation of a European forum of entities set up for European territorial cooperation with a legal nature and a permanent activity, integrating local authorities and their networks. With them the European commission can promote an annual evaluation of the European territorial cooperation in the various levels and spaces, as an equivalent to the figure of the annual meeting of the Commission with each of the Member States, with a possibility to operate as well in a thematic forums approach.

The work of this **European Forum for Territorial Cooperation** should be supported and stimulated through the creation of an **European Observatory for Territorial Cooperation**, independent from the European Commission in its operation and supported by the technical assistance budget of European Commission.

In order to support the intended strategic focus, **monitoring committees should play a more important and effective role in monitoring programs**. A revised model of the functioning, representation and organization of the monitoring committees, in order to favor their role in strategic and operational monitoring, presupposes and requires a greater and more effective participation of the entities created for the development of initiatives for territorial cooperation European Union, with a legal nature and a permanent activity.

2.2 Programming

Reduction of Programs?

Every 7 years when a new set of Regulations and Commission Rules is discussed it comes the idea of reducing the number of programs.

In case of Cross Border programs in most of cases, Member States did not accept COM proposals because there is a case for continuing a cooperation that exists for many years and local actors want to keep and deep it. In any case, any modification must take into consideration a duly-objective justification and the opinion of potential partners.

The same procedure must be applied to change eventually Transnational programs territorial configuration, and take into consideration the close relationship with existent Macro Regions Strategies or future ones (ex. Atlantic Area, Mediterranean Area, etc).

Each border area should have an agreed development strategy, before programs design.

In each border area partners must agree in a development strategy, based on a SWOT analysis, strategic thematic and priorities to be developed.

The cross-border cooperation level should focus of course on solving the problems of citizens in cross-border territories and on the implementation of economic, environmental and social development strategies for border areas. However, it should also contribute to their capacity to assume, as the engine of change, innovation and living lab on a scale of new policies close to the citizen.

Each Transnational and Interregional area should have an agreed development strategy, before programs design.

The same methodology as for cross-border areas should apply, with adaptations, to the Transnational and Interregional programs.

The cross-border and peripheral regions of the European Union are likely to benefit greatly in particular as regards macro-regional strategies for the Danube, the Atlantic, the Baltic, the Mediterranean, the Adriatic and the Black Sea, among others.

The concept of maritime neighbourhood

The future geography of the programs must be based on the objective relevance of challenges and opportunities for a **homogeneous and functional area**.

The concept of maritime neighbourhood cannot be conditioned by the anomalous administrative condition of fixing a single distance kilometre (150 km) for cross border areas that does not comprises the diversity of the existing dynamics nor to the history of the relationships.

The criteria to consider the maritime neighbourhood shall take into consideration aspects like:

- **Mutual interest in developing economic relations (commerce, tourism, etc)**
- **Tradition in economic ties and cooperation**
- **Regular maritime transport lines existing**
- **Existence of economic development projects**

Peripheral and Ultra peripheral regions of the EU are concerned. In particular areas like the Atlantic (Azores, Madeira and Canarias with the nearest West Coast of Africa; French Overseas Departments with the Caribbean Countries). In the Indic Ocean: French Overseas departments with Madagascar, Mauritius and the nearest Eastern Africa coast. In the Mediterranean Sea; in the Black Sea where Romania, Bulgaria and Greece are the mains interested.

2.3 Financing

European territorial cooperation must be provided with common more significant and more effectively allocated financial resources in order to better achieve the objectives of the Cohesion Policy

European territorial cooperation is today the main instrument to support the full realization of the single market. Bearing in mind that the internal cross-border regions and maritime territories are today the EU regions where the need to fully achievement of the single market is perceived, and is, as well, the main answer to the need to create an effective European citizenship felt by European citizens in their daily lives.

On the other hand, the new challenges facing the European Union as a whole, in particular on neighbouring regions, as regards the need to find answers to the growing migratory pressures, by highlighting opportunities for greater trade, scientific and cultural exchanges with neighbouring and pre-accession countries, open up a new front for European territorial cooperation, since it is best way to find structured and effective responses, rather than merely police ones.

Consequently, to European territorial cooperation should be allocated more and more significant common financial resources, more effectively distributed in order to achieve in better conditions the objectives of the Cohesion Policy, by doubling current financial resources. (Beneficiaries should be clearly informed about the funding available and its distribution).

The dimension of cross-border maritime cooperation should be maintained and strengthen at such a level that corresponds to the one given to the land CBC. The added value of the cross-border maritime cooperative actions must be recognized as a fundamental aspect of European post-2020 Territorial Cooperation, and the necessary continuity and allocation of adequate resources must be guaranteed to it.

The contribution of European structural and investment funds should adopt sufficiently significant pre-financing mechanisms to stimulate the participation of organizations with less organizational capacity and fewer resources, increasing and generalizing the value of pre-financing projects to facilitate their implementation and, at least, maintaining the current levels of co-financing.

European structural funds and investment appropriations for European territorial cooperation should be allocated to the program and not to the Member States, even for indicative purposes only;

The rules for the application of European structural and investment funds to European territorial cooperation have so far not been able to reconcile and deepen the principles of transnationality of cooperation with the principle of Member States' financial responsibility for the use of such funds.

By allocating appropriations of funds for European territorial cooperation to each of the Member States, even if it is said that is indicative, the regulations end up subordinating these resources to the national financial and budgetary discipline rules, and place a significant constraint on the appropriate implementation according to the strict objectives of the programme. (once again the quality of the project and its potential impact on the border are less important than the partnership composition and of the budget distribution between partners of the different countries).

What is the meaning and purpose of allocating funds for European territorial cooperation by Member State rather than the program when the supranational nature of the interventions is encouraged? Even if an indicative nature is invoked, the allocation of an appropriation for European territorial cooperation to each member state implies submission to national rules.

Structural and investment European structural funds should be allocated to the program rather than to the Member States and should be given the model already successfully applied in the European Neighbouring Instruments for Cross Border Cooperation². It will thus be possible to promote a better articulation of the principle of transnational cooperation principle with the one of financial responsibility of the Member States for the resources allocated to them.

Thematic concentration and achievement of the program objectives should also be encouraged, while safeguarding the necessary flexibility in the thematic definition of programs, to promote a better and more responsive response to the challenges and particularities of each territory, city or metropolitan area.

N+3 Rule

This Rule should continue to apply to ETC programs.

Pre-financing

In order to motivate civil society and non-governmental organisations to participate in ETC programs is very important the accessibility of these entities to a different funding procedure.

These entities they do not have the same administrative and financial capacity than public bodies, and therefore the pre-financing is of crucial importance for their participation. The current situation is that most of the participants are public bodies.

² Each MS contributes with an allocation from the ERDF not indicated in the Operating Programme and not previously recorded (pooled funding)

The programmes pre-financing by the European Union Funds should go entirely in the beginning of the programme for the final beneficiaries, and not retained by national or regional authorities as managing authorities (MA). (Having as a good practice model, the pre-financing schemes and conditions of COSME programme.

To be considered, and legally accepted as derogation, the possibility to increase up to 25-30% of the project financing to allow these final beneficiaries to start in time the project and do not need to go to the banking system and pay interest rates. These pre-financing to be made available by the Managing Authorities.

2.4 Programme Management

Definition of Programme Axis (Thematic)

Thematic concentration and achievement of the program objectives should also be encouraged, while safeguarding the necessary flexibility in the thematic definition of programs, to promote a better and more responsive response to the challenges and particularities of each territory.

Cultural and Natural Heritage in many cross-border areas are of crucial importance for their development when associated to the development of Tourism attractively. Therefore, these circumstances should be taken into account in the definition of concentration and flexibility.

To these axes, a more important resource allocation should be given in the next programs.

The identification of management, certification, payment and audit authorities and the definition of their responsibilities should better incorporate the supranational nature of European territorial cooperation programs and be better articulated with the principle of Member States' financial responsibility.

The same supranational nature reinforces the indispensable safeguard of full application of the principle of prior publication of all the rules, rules and procedures to be used in the implementation of the program. The deadlines to be observed in the application of management acts must be publicized and effectively observed.

The responsibilities of the joint technical secretariats should be better adapted to the tasks assigned to the managing authorities in order to avoid the regrettably frequent disarticulation and repetition of tasks observed today.

The Code of Conduct for Multilevel Governance should be effectively implemented by encouraging the participation of regional, local and urban authorities and entities set up for European territorial cooperation with a legal nature and a permanent activity in the definition of programs and rules for its application and the management and evaluation model.

Greater scrutiny should be ensured for the desirable participation of external experts in the evaluation of applications, ensuring prior qualification practices (the establishment of experts' data basis) and the dissemination of the experts involved. (In addition, assuring an appropriated level of technical knowledge regarding the thematic of each project proposal by the evaluator).

The management model of European territorial cooperation programs should take into account the specificities of cooperation and its supranational impact and cannot be a mere copy of the regulatory model for the mainstream sectorial or regional programs.

Participation should be encouraged in the development of initiatives for European territorial cooperation, by entities with a legal nature and a permanent activity, in the management of the programs. This participation shall exist through an open and objective legal framework, contrary to the priority given so far to intervention of regional and central government authorities, whose intervention should be reoriented to perform the functions of compliance, control and certification.

In this perspective, the involvement of local authorities and cooperation networks should be strengthened in line with urban policy and multilevel governance stimulated by the European Commission and the dynamics created by the Urban Agenda.

New and increased responsibilities in the management of programs by entities set up to develop initiatives for European territorial cooperation, with a legal nature and a permanent activity, will make a significant contribution to administrative simplification and the necessary segregation of duties.

The entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, including EGTCs, must have a proper and common legal, financial and fiscal regime. This one takes into account the nature and supranational scope of its action and that it should not be subject to the rules applicable to the place of its registered office.

The concept of e-cohesion must be generalised and full implemented by all managing authorities in the next programming period (this creates confidence, attracts potential applicants, and reduces number of arbitrary decisions):

- Transparency (criteria for projects application) and large publicity of call for proposals and calls with a significant opening period (with a view to ensuring the establishment of stronger partnerships and the participation of all beneficiaries in the design of the applications)
- Applications on line
- Deadlines for decisions on applications approval (ex. maximum 5 months?)
- Possibility of consulting ‘files application’ instruction procedure on line.

Evaluation (continuous evaluation)

For each program or group of programs, if it is feasible according to their similar characteristics, must exist an independent evaluator. This evaluator is chosen between MA and EU Commission based on an agreed terms of reference.

The evaluator presents its report every year N+1 by March. This report is discussed in the annual Monitoring Committee, by June-July of the same year.

This report must contain a financial analysis of the programs execution, an analysis of the existing problems related with the implementation, and recommendations for the future including proposal to revise the OP as the case maybe.

Adopt a model of calls for proposals and for the management of projects more in phase with the requirements and particularities of European Territorial Cooperation.

European regulations for the *post 2020* period should develop and implement a model of calls for proposals that is better suited to the requirements and particularities of European territorial cooperation and the need for greater strategic focus, including namely:

- Launch more structured and territorially oriented needs calls for proposals, favouring a better evaluation of the relative merits of the applications submitted, a better analysis work distributed throughout the year, with shorter decision times and adjusted to the expectations and needs of the promoters;
- To encourage the submission and approval of multi-annual work plans, in particular for entities created for the development of initiatives for European territorial cooperation, with a legal nature and permanent activity, thus improving the strategic coherence of the program and the predictability of action for the promoters of cooperation;
- Promote the pre-qualification of the promoters of the operations to support, by means of a two-stage application, the first one based on a proposed project summary and the second phase, only for the preselected ideas, based on the detailed and complete application;
- Limit the number of applications to be presented by each partner, favouring the concentration of approved funds;
- Facilitate the principle of relating each operation to a specific objective and the corresponding main axis result indicators, avoiding the artificial reduction of the impact of operations that tend to have a wide range of actions;
- Simplify management, reporting and payment procedures by promoting a better balance between the weight of management resources allocated to the achievement of objectives (effectiveness) and the necessary safeguarding of the regularity of operations and the use of funds, in line with the principles of financial regulation;
- Provide for adaptation of the rules for the application of European structural and investment funds to the specific constraints of the EU's neighbouring countries in the context of external cross-border cooperation;
- Facilitate the participation of partners from territories outside the program boundaries that can add value to the achievement of the objectives of the operations;
- Promote more flexible forms of participation, such as support for the operation of city networks, town twinning, peer-reviews, capacity building, etc., enabling cities with less technical resources and less experience to benefit from European territorial cooperation;
- We agree with the orientation of the European Commission to reinforce the relevant cooperation partners (stakeholders), but there is a need to clarify their concept, role and funding possibilities for their participation.
- The European Commission should promote the clarification and dissemination of state aid rules that should apply to European territorial cooperation programs.

3 - The entities created for the development of initiatives for ETC, including Cities, Cities networks and Metropolitan Areas should have the right to be associated to the reflexion (ETC strategies and OP definition)

European territorial cooperation could become the area of application of the European structural and investment funds which better and more widely apply the principles of subsidiarity and multilevel governance, as long as there is a greater involvement of the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, such as associations and networks of cities.

The management model of European territorial cooperation programs should take into account the specificities of cooperation and its supranational impact and cannot be a mere copy of the regulatory model for the mainstream sectorial or regional programs.

Participation should be encouraged in the development of initiatives for European territorial cooperation, by entities with a legal nature and a permanent activity, in the management of the programs. This participation shall exist through an open and objective legal framework, contrary to the priority given so far to intervention of regional and central government authorities, whose intervention should be reoriented to perform the functions of compliance, control and certification.

In this perspective, the involvement of local authorities and cooperation networks should be strengthened in line with urban policy and multilevel governance stimulated by the European Commission and the dynamics created by the Urban Agenda.

New and increased responsibilities in the management of programs by entities set up to develop initiatives for European territorial cooperation, with a legal nature and a permanent activity, will make a significant contribution to administrative simplification and the necessary segregation of duties.

The functions of managing authority should not be attributed to the MS or the entities to which they decide to arbitrarily allocate. The regulation of European territorial cooperation for the post 2020 period should provide for and define an open and objective framework for initiatives that demonstrate transnationality, organization and management capacity.

The entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, including EGTCs, must have a proper and common legal, financial and fiscal regime, which takes into account the nature and supranational scope of its action and that it should not be subject to the rules applicable to the place of its registered office.

The EGTC implementation experience also highlights that for their creation there is a need to release them from the obstacles, constraints and uncertainties of the Member States' administrations and to simplify the procedures for transforming to EGTCs of already established legal entities.

The Regulation establishing the EGTC represents until now the only regulatory initiative of the European Union that goes beyond the strict application of European structural and investment funds, which is applauded and recognized as important.

However, European legislation is silent on the tax regime for EGTCs and establishes the principle of the location of the EGTC headquarters in one of the Member States (two in most EGTCs) and the inherent submission to its administrative, financial and tax rules. That is to say, it encourages the creation of a supranational organization with legal personality, oriented to a uniform operation in a supranational cooperation space, but that is conditioned and submitted to the rules of one of the Member States. (This generates, for example, an unbalanced distribution of the EGTCs along the border because they all will choose to have its headquarters in the country with a more flexible/favourable legislation).

4 - Audit and Control Rules

Other than what is recommended by the High Level Group mentioned in 4.1.1 on this issue is of crucial importance for the sake of a good management and avoid loss of time with several audit missions (one audit mission can take at least one week), sometimes in the same year, is recommended that:

- Commission Services should make joint audit missions together with national audit authorities, no more than once every two years.
- These audits should be coordinated as well with European Union Court of Auditors.

EPICAH (Effectiveness of Policy Instruments for Cross-Border Advancement in Heritage), an interregional cooperation project for improving natural and cultural heritage policies.

Project Partners:

- Atlantic Axis of Peninsular Northwest (PT)
- Regional Development Agency of the Pilsen Region (CZ)
- Peipsi Center for Transboundary Cooperation (EE)
- Regional Development Fund on behalf of the Region of Western Macedonia (EL)
- Atlantic Axis of Peninsular Northwest (ES)
- Iberian Association of Riverside Municipalities of Duero River (ES)
- Tokaj Wine Region Nonprofit LLC (HU)
- Agency for the Development of the Empolese Valdelsa (IT)
- Satu Mare County Intercommunity Development Association (RO)

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NOTES

#SustainableTourism #CulturalHeritage
#NaturalHeritage #Cooperation
#PolicyLearning #InterregEurope



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