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### LEGAL ACCESSIBILITY

SERBIA'S PARTICIPATION IN EUROPEAN GROUPING OF TERRITORIAL COOPERATION (EGTC) AND EUROREGIONAL COOPERATION GROUPING (ECG)

Novi Sad 2017



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### **EXECUTIVE SUMMARY**

The current study was elaborated within the framework of the project Legal accessibility — Second milestone implemented by Central European Service for Cross-Border Initiatives (CESCI) with the support of the Hungarian Ministry of Justice. As a subcontractor of the aforementioned project, CESCI Balkans was requested to analyze the opportunities of the adoption of a legislative document enabling local stakeholders to take part in European Groupings of Territorial Cooperation (EGTCs) and / or Euroregional Cooperation Groupings (ECGs) — based on the legal background provided by the Council of Europe and the European Union.

According to the above request, CESCI Balkans performed a research on the existing cross-border structures in the Balkans, especially in Serbia; on the legal background of cross-border cooperation; and drafted a set of recommendations.

In order to intensify cross-border cooperation between Serbia and the neighbouring EU Member States the study recommends that the following actions should take place:

- Adoption of an Act on European Grouping of Territorial Cooperation The adoption of an Act on European Grouping of Territorial Cooperation will allow legal subjects from the Republic of Serbia to participate as full members in EGTCs registered in EU member states. The participation of legal bodies from Serbia in an EGTC will be allowed by the approving body of the Republic of Serbia. This is in line with Serbia's legal harmonization with EU legislations. The relevant Hungarian implementing regulation can be a good model to elaborate its Serbian counterpart.
- Signing a bilateral agreement with the neighbouring EU member states on the establishment and operation of EGTCs.

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Bilateral agreements enable the Serbian legal entities to participate in EGTCs together with legal entities located in the neighbouring country that the agreement is signed with. The bilateral agreement can substitute the Act or clarify it.

- Ratification of Additional Protocols of Madrid Outline Convention
  Ratifying Additional Protocols may allow the legal subjects from the Republic of
  Serbia to achieve the status of a full member in ECGs registered in any member
  country of the Council of Europe that has signed and ratified the Madrid Outline
  Convention and Additional Protocols. In this case, the headquarters of the ECG can
  be set-up within the territory of the Republic of Serbia.
- Training for Local Authorities on participation in EGTCs and ECGs In order to prepare Local Authorities for their participation in ECGs or EGTCs there has to be an invitation for training of Local Authorities sent to the Council of Europe Center for Excellence. Upon the invitation, CoE in cooperation with Central European Service for Cross-Border Initiatives Balkans (CESCI Balkans) should organize the CoE Leadership Academy on Cross-Border Cooperation for Local Authorities.

By fulfilling these steps, the Republic of Serbia will gain ground for strengthening economic, social and territorial cohesion, as well as for facilitating cross-border, transnational and interregional cooperation with EU members and non-EU countries.

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#### CROSS-BORDER COOPERATION — THEORETICAL BACKGROUND

Cross-border cooperation can be defined as activities directed towards building of good relations between neighbouring states, and supporting diverse connections and interactions these states have between themselves. Cross-border cooperation is a continuous process in which the transcendence of mistrust and prejudices and strengthening of confidence in cross-border regions are in the focus. It helps increase understanding and tolerance between neighbouring countries, strengthen regional identities and increase economic attractiveness of a region, having significant improving effect on the quality of life for the populations on both sides of the border. It also plays an essential role in national and international development, in building tolerance and in harmonization of relations between various cultures. Cross-border cooperation is one of the crucial factors promoting economic, social and territorial cohesion within Europe. This cooperation stimulates progress in mutual understanding and offers an opportunity to the population to get closer to the European institutions and to use a great number of assistance programmes. It has also turned out to be an irreplaceable element for the future development and efficient integration of Europe, through political, ethnic, social and cultural associations.

Borders help protect a country from external security risks but at the same time, the regions located in the border areas are mostly separated from the center of the country. These areas are lagging behind the center regarding social or economic standards, the inhabitants of border regions are mainly living in poor standards compared to the center of the country and without a professional perspective in this region. These phenomena can be called

<sup>&</sup>lt;sup>1</sup>Stojkov B., Nikolov A., (2008), "Cultural Cross-Border Co-operation among Balkan's countries with the case of Serbia and Bulgaria", at: Alfa SPECTRA Planning Studies.

<sup>&</sup>lt;sup>2</sup>AEBR, (1998), No 5 Socio-Cultural Co-operation, AEBR, Gronau

<sup>&</sup>lt;sup>3</sup>Alberto Gasparini, Daniele Del Bianco (Ed), (2010), "Strategies and Euroregions for Cross-Border Cooperation in Balkan and Danube European Countries - an analysis of Strengths, Weaknesses, Opportunities and Threats", ISIG-Istituto di Sociologia, Council of Europe

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centripetal forces, that keep the borders closed in order to prevent the own territory from foreign influences. On the other hand, the border areas are important for starting cooperation with neighbouring countries and countries that are following the same interests. These interests can regard economic, political, or cultural issues and need to open borders to exchange goods, capital, and information. By this, networks can be built up and good neighbourhood can be developed and in the long run the situation of the border areas can be improved.

Initiation or development of cross-border relations depends on a convenient geographic configuration, existence of several border crossings and tradition of cooperation, even informal; regardless of general context, the basic condition for successful cross-border cooperation is inclusion of the population. The success of cross-border structures along European borders could only be explained with strong desire for cooperation, not only between political and socio-economic institutions, but with big participation of the inhabitants as well. In the second place, foundations established by cross-border cooperation play a role of a gradual starter in various areas. Cooperation stimulates progress of mutual understanding and offers for the population an opportunity to get closer to European institutions and to use great number of the assistance programs. International cooperation, understanding and cooperation among population, are foundations for stability and peace, proportional development, consequently coming from the individuals who cooperate with their neighbours, as well as institutions directly representing them and speaking in favour of their needs.<sup>4</sup> By meeting the challenges of cross-border cooperation, these areas are ceasing to be preoccupied solely with their local interests and get a chance to make convenient economic and social cooperation with their neighbours on the other side of the border. In that way borders are becoming only administrative demarcation lines.

<sup>&</sup>lt;sup>4</sup>ISIG, (2003), Prekogranična Saradnja Balkansko-Podunavskog Područja - Analiza «snaga, slabosti, prilika i pretnji», Istituto di Sociologia, Council of Europe

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European charter for border and cross-border regions (2011) defines goals of cross-border regions and cooperation in an interesting way: "the goal of cooperation in border and cross-border regions is not to create a new administrative level, but instead to develop cooperative structures, procedures and instruments that facilitate the removal of obstacles and foster the elimination of divisive factors "5.

<sup>&</sup>lt;sup>5</sup> AEBR (2011): European Charter for Border and Cross-Border Regions. Gronau, 8.

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### CROSS-BORDER COOPERATION – THE POLICY BACKGROUND

### Cohesion Policy in the European Union

The Cohesion Policy of the European Union (EU) is a policy with the explicit aim of improving the economic well-being of different regions in the EU and also to eliminate regional disparities. More than one third of the EU's budget is devoted to this policy, which aims at enhancing economic, social and territorial cohesion across the EU, restructuring declining industrial areas and diversifying rural areas which have declining agriculture. In doing so, EU Cohesion Policy is geared towards making regions more competitive, fostering economic growth and creating new jobs. The policy also has a role to play in wider challenges for the future, including climate change, energy supply and globalization. "In particular Cohesion Policy provides the necessary investment framework and strategy to meet our agreed growth goals" 6. By 2020 the EU aims to meet five concrete objectives: employment, innovation, education, social inclusion and climate/energy.

#### Territorial cohesion

The main idea of territorial cohesion is to contribute to European sustainable development and competitiveness. It is intended to strengthen the European regions, promote territorial

<sup>&</sup>lt;sup>6</sup> EC (2014): An Introduction to EU Cohesion Policy (2014 – 2020), Brussels, European Commission, [2]

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integration and produce coherence of EU policies so as to contribute to the sustainable development and global competitiveness of the EU.

The main aim of the territorial cohesion policy is to contribute to a balanced distribution of economic and social resources among the European regions with a territorial dimension. This means that resources and opportunities should be equally distributed among the regions and their populations. In order to achieve the goal of territorial cohesion, an integrative approach to other EU policies is required. The main resource of EU's territorial cohesion policy is the set of EU's structural and investment funds (ESIF), considered to be delivered to the most deprived areas of the EU. From the point of view of cross-border cooperation, there are two relevant structural funds: the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The ERDF is intended to be used for the creation of infrastructure and productive job-creating investment and it is mainly for the development of businesses. The ESF (among others) is meant to contribute to the integration of the unemployed populations into the work life via training measurements.

### **European Territorial Cooperation**

European territorial cooperation has been one of the main objectives of the EU Regional/Cohesion Policy since 1990. Due to the growing need to develop cross-border cooperation, in 1990, the European Economic Community established a programme targeting European territorial cooperation called INTERREG which provided financial assistance to all countries interested in launching cross-border cooperation and the establishment of cross-border structures with neighbouring countries. This programme has the main objective of linking neighbouring local and regional actors.

Since its beginning the programme had five phases. First phase known as INTERREG I lasted from 1990 until 1993 and covered 31 programmes with funding of 1.082 million Euros,

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second phase, known as INTERREG II lasted for six years, from 1994 until 1999 and it has grown in terms of both number of programmes it has covered (59) and funding amount (3.5 million Euros). INTERREG III was in force since 2000 up to 2006 and implemented 79 programmes with a budget of 5.1 million Euros. Since this period two important phases has happened: the first one, the European Territorial Cooperation programme, from 2007 until 2013 with a budget of 7.8 million Euros for 92 programmes; and the second one which is still in force, INTERREG V, with the biggest budget so far, 10.1 million Euros for 100 programmes.

European territorial cooperation programme has three strands: strand A which supports direct cross-border cooperation; strand B - Transnational cooperation; and strand C - Interregional cooperation. The INTERREG initiative launched further special programmes, such as ESPON (European Observation Network for Territorial Development and Cohesion) with objectives to monitor the implementation of the EU spatial development policies, compose spatial development scenarios, conduct spatial impact analysis of the EU sectoral policies, and propose new policies and solutions on the European Commission level; as well as INTERACT programme with an aim to boost the efficiency of the cross-border cooperation programmes and projects. <sup>8</sup>

### Cross-border cooperation programmes

The main objective of cross-border cooperation programmes is to resolve crucial social, economic and environmental problems in peripheral border areas and to promote cooperation among different nations. Cross-border cooperation in the countries of the European Union is supported through European Regional Development Fund (ERDF). In the

<sup>&</sup>lt;sup>7</sup> Anđelković, S., Cross-Border Structures in Balkan Region, Research paper, 2017

<sup>&</sup>lt;sup>8</sup> Anđelković, S., Cross-Border Structures in Balkan Region, Research paper, 2017

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period of 2007-2013, the amount of 5.6 billion EUR was allocated from this Fund for the purpose (strand A). Main objectives of cross-border cooperation are: promotion of the economic and social development in border areas; addressing common challenges (environment, public health, safety and security); and creating better conditions for persons, goods and capital mobility.<sup>9</sup>

Separate cross-border cooperation programmes have been composed for candidate states and potential candidate states for the membership into the EU. In the period 2004-2006, these programmes were implemented through the CARDS fund programme, while in the following period they are implemented through the pre-accession instrument IPA. These programmes are intended for cooperation between regional and municipal institutions and organizations. <sup>10</sup> This programme focuses on the field of entrepreneurship, administrative and legal co-operation and building capacity, employment and equal opportunities, culture and social issues.

In this case: "CBC promotes cooperation between an EU country and a neighborhood country sharing a land border or sea crossing". 11

Cross-border cooperation is also the key element of the EU Neighbourhood policy that supports sustainable development alongside the European Union's external borders through the European Neighbourhood Instrument (ENI).

<sup>&</sup>lt;sup>9</sup> Anđelković, S., Cross-Border Structures in Balkan Region, Research paper, 2017

http://www.rapp.gov.rs/en-GB/individual-programmes/cid306-83159/general-data-on-cross-border-cooperation

<sup>&</sup>lt;sup>11</sup> http://ec.europa.eu/environment/international issues/eu neighbourhood en.htm

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#### CROSS-BORDER COOPERATION – THE LEGAL BACKGROUND

#### The Madrid Outline Convention

The European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (ETS No. 106 - Madrid, 21.05.1980) also known as the "Madrid Outline Convention" " is intended to encourage and facilitate the conclusion of cross-border agreements between local and regional authorities within the scope of their respective powers. Such agreements may cover regional development, environmental protection, the improvement of public services, etc., and may include the setting up of transfrontier associations or consortia of local authorities. "12 The framework convention was approved by the Council of Europe, in 1980.

The initiative has been followed by additional protocols so that the current general legal frame rules the establishment and operation of Euroregional Co-operation Groupings (ECG), in a concrete and clear manner:

1. Additional Protocol - ETS No. 159: The Protocol aims to strengthen the Outline Convention by expressly recognising, under certain conditions, the right of territorial communities to conclude transfrontier co-operation agreements, the validity in domestic law of the acts and decisions made in the framework of a transfrontier co-operation agreement, and the legal corporate capacity ("legal personality") of any co-operation body set up under such an agreement. As the general legal framework for

<sup>&</sup>lt;sup>12</sup> Treaty No.106 of the Council of Europe: European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/106

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co-operation of local/regional authorities across borders in Europe, the Outline Convention together with its Protocol will be useful to the new member States in their governmental reform processes.

- 2. Protocol No. 2 ETS No. 169: The Protocol aims to strengthen inter-territorial cooperation between European countries. It follows the Council of Europe's declaration at the Vienna 1993 summit to build a tolerant and prosperous Europe through transfrontier co-operation. The Protocol complements the existing Convention and Protocol which are concerned with relations between adjacent communities that share common borders. These two legal texts have proved so successful that twinning agreements have begun to spring up between areas that are further apart. Protocol 2 will act as a legal text to cover these new arrangements. It recognises the right of authorities to make such agreements and sets out a legal framework for them to do so.
- 3. *Protocol No. 3 CETS No. 206.:* Protocol No. 3 to the Madrid Convention provides for the legal status, establishment and operation of "Euroregional Cooperation Groupings". Composed of local authorities and other public bodies from the Contracting Parties, the aim of a grouping is for transfrontier and interterritorial cooperation to be put into practice for its members, within the scope of their competences and prerogatives. Under the Protocol the Council of Europe may draw up model national laws for facilitating adoption by the Contracting Parties of appropriate national legislation for enabling the "Euroregional Co-operation Groupings" to operate effectively.

Since the adoption of the Madrid Convention which contains various models of agreements, inter-state agreements and contracts between local authorities, Europe has been progressing in the field of cross-border cooperation. The proposed model agreements in this document provide possible frameworks for varying degrees of co-operation which were drafted according to actually existing CBC treaties and arrangements.

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Since the late 1980s and early 1990s, Europe has been experiencing trends which continue today<sup>13</sup>:

- the gradual dismantling of the internal borders within the EU since 1 January 1993 and creation of what is known today as EU. The internal borders in this case, were national ones, as they started to dismantle in a prosperous way for the EU. This process has been accompanied by a shift of previous national state borders to the EU's present external borders with other countries and it gained new strength with the accession of Austria, Sweden and Finland to the EU;
- efforts to establish contacts across the new external borders to facilitate intellectual,
   political and economic exchanges with third countries such as Switzerland, Norway
   and the countries of Central and Eastern Europe and the Mediterranean; and
- the fact that as new members join the EU its present external borders become new internal borders whilst the previous borders in Central and Eastern Europe become new external borders of the EU.

### The European Grouping of Territorial Cooperation (EGTC)

With the aim of overcoming impediments of cross-border cooperation, European Union established new legal instrument in 2006 for reinforcing cross-border, transnational and inter-regional cooperation under the name of European Grouping of Territorial Cooperation. EGTC can be established by Member States, regional or local authorities, associations and bodies governed by public law as defined in Directive 2004/18/EC of the European Parliament and of the Council (see: Preamb. (8) of the Regulation). The new approach within

<sup>&</sup>lt;sup>13</sup> Cross-border cooperation – benefiting from borders (2011). Ministry for foreign affairs of Finland.

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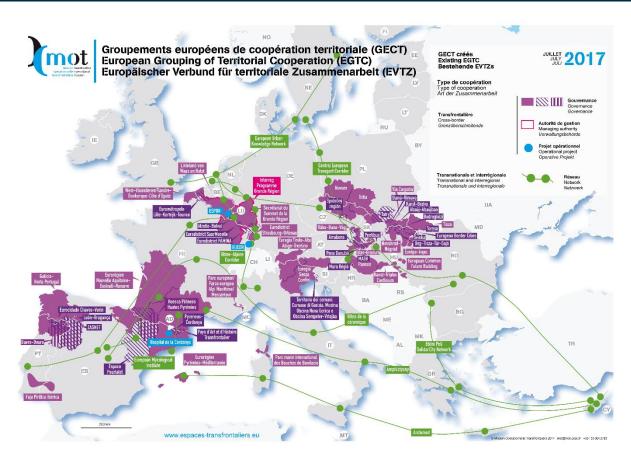
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this cross-border structure is that EGTC as legal entity enables public authorities to initiate and organize joint activities and cross-border cooperation on both sides of the border with full legal capacity.

The EGTC is the first European cooperation structure with a legal personality defined by Community Law designed to facilitate and promote territorial cooperation (cross-border, transnational and interregional cooperation), in view of strengthening the economic and social cohesion of the European territory. The Committee of the Regions is in charge of updating the European Union's EGTC Register and the EGTC Platform. The EGTC Platform integrates political and technical representatives of all existing EGTCs. The Platform aims to facilitate the exchange of experiences on the ground, promoting the EGTC as a tool for territorial cohesion and to give visibility to EGTC projects, while also supporting the consultative works of the CoR in cross-border issues. Today the European Union counts 69 EGTCs involving over 1000 local and regional authorities in 20 EU Member States and three non-Member States. All together the EGTCs impact the lives of more than 30 million Europeans. The majority of the EGTCs are located on Eastern, Central and Southern internal borders of the European Union, with many of them overlapping, yet each having a different goal and structure.<sup>14</sup>

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Map 1.: EGTCs in Europe in 2017<sup>15</sup>

There are different types of EGTCs according to the following perspectives: 16

- (1) Financial differentiation. An EGTC may be founded particularly by European Territorial Cooperation (INTERREG) as well as for general cooperation without financial contribution from the EU.
- (2) *Territorial differentiation*. The EGTC regulation includes all three types of territorial cooperation cross-border, transnational and interregional. They may either be supported by the EU or be part of the general cooperation.

<sup>&</sup>lt;sup>15</sup> http://www.espaces-transfrontaliers.org/en/resources/cartes/maps/show/les-gect-crees-en-europe/

<sup>&</sup>lt;sup>16</sup> EC (2015): Regional Development: European Grouping Of Territorial Cooperation as an Instrument for Promotion and Improvement of Territorial Cooperation in Europe, Directorate General for Internal Policies, Policy Department B: Structural and Cohesion Policies

- (3) *Institutional differentiation*. Within the territorial cooperation supported by the EU, the EGTC regulation explicitly differentiates between EGTCs dealing with programmes and projects. EU programme cooperation usually occurs across themes and has a medium and strategic orientation (e.g. management of a programme, project approval and financial management). In contrast, project cooperation is often more theme specific and also limited to implementing a plan or other undertaking. In addition, there are EGTCs organized along joint interests in a transnational or interregional way: the network EGTCs. Finally, the majority of the EGTCs can be classified as cross-border regional development groupings focusing on the implementation of a cross-border strategy including several projects but not programmes.
- (4) *Thematic focus*. This classification goes along with different degrees of thematic specifications. The EGTC regulation is rather unspecific when it comes to the general cooperation referring to "actions". In practice, however, general cooperation occurs as cross-thematic cooperation (e.g. strategic long-term cooperation on cross-border structures) as well as theme-specific cooperation.

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Table 1: European Groupings of Territorial Cooperation in the Balkan Region

EGTC	FOUNDED	STATUS	COUNTRIES	TYPE OF
			INVOLVED	COOPERATION
EGTC Amphictyony of Twinned	2008	Active	Greece, Italy,	Network
Cities and Areas of the			France, Cyprus	
Mediterranean				
The Banat-Triplex Confinium	2009	Active	Serbia, Hungary	Cross-border
EGTC			and Romania	regional
				development
GECT Archimed	2011	Active	Italy, Cyprus, Spain,	Network
			Greece	
EGTC Gate to Europe Ltd.	2012	Active	Hungary, Romania	Cross-border
				regional
				development
Pannon EGTC Ltd)	2012	Active	Hungary, Slovenia,	Cross-border
			Croatia	regional
				development
EGTC EFXINI POLI - Network of	2012	Active	Greece, Cyprus,	Network
European Cities for Sustainable			Bulgaria	
Development				
European Grouping of Territorial	2012	Active	the Netherlands,	Network
Cooperation European Urban			Belgium, Cyprus,	
Knowledge Network Limited			Czech Republic,	
(EUKN EGTC)			France, Germany,	
			Luxemburg,	
			Romania	
European Common Future	2012	Passive	Hungary, Romania	Cross-border
Building European Grouping of				regional
Territorial Cooperation with				development
Limited Liability				

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EGTC	FOUNDED	STATUS	COUNTRIES	TYPE OF
			INVOLVED	COOPERATION
Central European Transport	2014	Active	Sweden, Poland	Network
Corridor Limited Liability EGTC			Hungary and	
(CETC-EGTC Ltd.)			Croatia	
Agrupación Europea de	2014	Active	Spain, France, Italy,	Network
Cooperación Territorial Ciudades			Romania	
de la Cerámica, AECT limitada				
European Border Cities European	2014	Passive	Hungary, Romania	Cross-border
Grouping of Territorial				regional
Cooperation Limited Liability				development
Mura Region European Grouping	2015	Active	Hungary, Croatia	Cross-border
of Territorial Cooperation Limited				regional
Liability				development
DIETA MED	2017	Active	Italy, Greece	Network
Holistic Efficient Local Initiatives	2017	Active	Greece, Bulgaria	Network
for Cooperation and Synergy				
HELICAS EGTC				

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### THE SERBIAN CASE

### Cross-border structures in the Balkan Region

Across Europe there are more than 200 cross-border structures known also as Euroregions, Working Communities, Cross-border Initiatives, EGTCs, etc.. All in all, they are covering almost 90% of the European territory. If we focus only on the areas affected the most by cross-border cooperation (50km distance from the border) we can state that these regions cover approximately 40% of the EU territory, and that 30% of European populations live in these border areas. Having that in mind it is clear why cross-border cooperation is considered as one of the crucial factors influencing the achievement of economic, social and territorial cohesion within Europe, especially relating to the border areas between the new and the old member states, between the new member states, as well as between the new EU member states and their neighbouring countries. By cross-border cooperation, the countries can work together and help each other. The main goal of cross-border cooperation is to put the region located near the border closer to the center of a state and to equalize their situations<sup>17</sup>.

<sup>&</sup>lt;sup>17</sup> European commission (https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/cross-border-cooperation\_en)

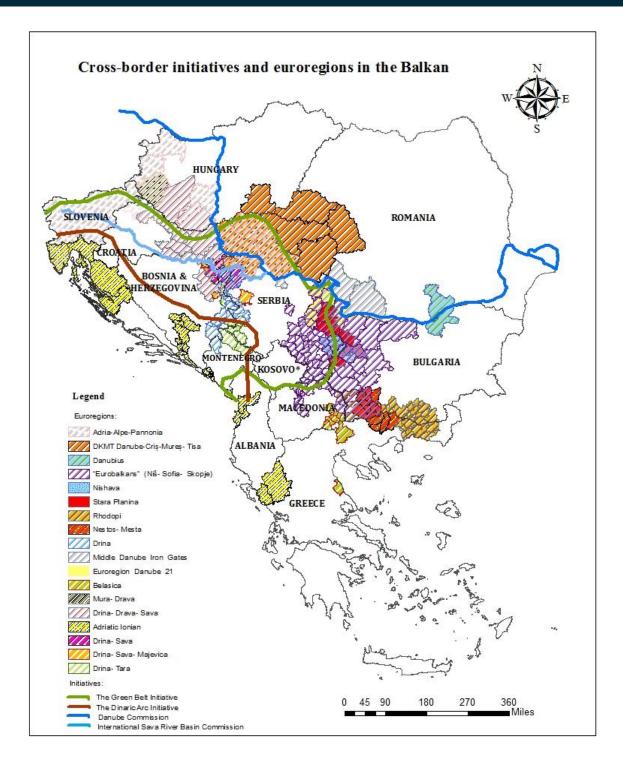
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### Border territories - 25 km buffer



Map 2: Border zones in Balkan countries

There are thirty-four cross-border structures in the Balkan region: 26 Euroregions, 3 working communities, 2 Macro-regions and 6 cross-border EGTCs.



Map 3: Cross-border initiatives and euroregions in the Balkans

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Due to the lack of information on a precise number of Euroregions in the Balkans, the big problem was determining the status of the structures, given that the status is determined on the basis of activities carried out in the last 12 months, suggesting that if certain activities are implemented in the last 12 months in the Euroregion it is considered to be active, in the opposite case the Euroregion is described as passive. Out of 26 Euroregions in the Balkans only 7 are active. This shows that it is necessary to initiate activities toward re-animating these regions with a hope that they will not be closed due to their inactivity. This can be planned by merging Euroregions whose territorial coverage overlaps. It implies improving cross-border cooperation, allowing residents living within these Euroregions to use financial and institutional assistance from the European Union.

Table 2: Cross-Border structures in the Balkans

CROSS-BORDER STRUCTURE	FOUNDED	STATUS	AEBR <sup>18</sup> MEMBERSHIP STATUS
Euroregion West Macedonia- Albania-FYROM	No info	Passive	Non-member of AEBR
Euroregion Central Macedonia- FYROM	No info	Passive	Partially Member of AEBR
Euroregion East-Macedonia-Thrace	No info	Passive	Member of AEBR
Euroregion Puglia-Ionian Islands- Epyros-Albania	No info	Passive	Non-member of AEBR
Euroregion NotioEgeo-Turkey	No info	Passive	Non-member of AEBR
Euroregion Evros-Maritsa- Merio	No info	Passive	Non-member of AEBR
Adria-Alpe-Pannonia Euroregion	No info	Passive	Non-member of AEBR

<sup>&</sup>lt;sup>18</sup> Association of European Border Regions is an organization founded in 1971 with the objective of promoting cross-border cooperation and mediating in the term of joining two countries for the sake of cross-border cooperation. AEBR also works in the field of lobbying for EU candidate countries and helping them the with implementation of CBC projects. Today, AEBR has around 90 members which represent some form of cross-border structure. In the Balkan region even though there are 25 cross-border structures, only 6 of them are Members of Association of European Border Region.

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Euroregio Duna-Sava	No data	Passive	Non-member of AEBR
Euroregion Nestos-Mesta	1989	Active	Member of AEBR
Euroregion Rhodopi	1992	Active	Non-member of AEBR
Euroregion DKMT Danube-Criş- Mureş-Tisa	1997	Active	Member of AEBR
Euroregion Danube-Drava-Sava	1998	Passive	Non-member of AEBR
Euroregion Mura-Drava	2000	Passive	Non-member of AEBR
Euroregion Danubius	2002	Passive	Member of AEBR
Euroregion "Eurobalkans" (Niš- Sofia-Skopje)	2002	Passive	Non-member of AEBR
Euroregion Middle Danube Iron Gates	2002	Passive	Non-member of AEBR
Euroregion Danube 21	2002	Passive	Non-member of AEBR
Euroregion Drina-Sava-Majevica	2003	Passive	Non-member of AEBR
Euroregion Belasica	2003	Passive	Non-member of AEBR
Euroregion Morava-Pcinja-Struma	2003	Passive	Non-member of AEBR
Euroregion Nišava	2005	Active	Member of AEBR
Euroregion Stara Planina	2006	Passive	Non-member of AEBR
Adriatic- Ionian Euroregion	2006	Active	Non-member of AEBR
Drina Euroregion	2012	Passive	Non-member of AEBR
Drina- Sava cross- border region	2012	Active	Non-member of AEBR
Drina - Tara Euroregion	2013	Active	Non-member of AEBR

Using the information given in the previous sections we can see that first Euroregions in Balkan region were initiated by citizens (bottom-up approach) for the sake of resolving crucial problems in border regions and nature preservation such as Nestos-Mesta and Drina Euroregion.

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After the establishment of the first cross-border structures in the Balkan region which showed how cross-border cooperation could contribute to problem solving other Euroregions were established, but now by the local or national governments. Authorities have recognized that with the help of cross-border cooperation they can solve communication problems with the neighbours, caused by the Balkan wars during the 90s. This is the reason behind the establishment of several Euroregions in Balkan Peninsula, especially during the beginning of 21st century.

That is why social cooperation was one of the most important focuses in first cross-border projects. First projects were simple and were directed towards connecting people from both sides of the border which was necessary for the sake of implementing more complex projects.

Other regions were established for the sake of achieving economic development, when they recognized potential that lies in cross-border cooperation and the common use of financial funds.

Regions such as Niš - Sofija - Skopje and Danube - Drava - Sava were founded from the need of construction of Niš-Sofia highway and Skopje-Sofia railway in Niš - Sofia - Skopje Euroregion and European highway in Danube - Drava - Sava Euroregion. In the last region one of the most important activities focused on preservation of Drina River.

Other reasons are lying in the development of tourism, culture and sport, environment protection and nature preservation.

In the 21st century, after the main issue of closed communication in the Balkan region was resolved, countries realized that they can use cross-border cooperation for the exchange of information and networking, exchange of knowledge and practices. That is why most of the cross-border structures are using financial aid from funds targeting education and knowledge sharing.

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As seen above, establishment of Euroregions can be result of various reasons, and projects implemented by them can be classified under different groups of topics.

### Cross-border structures in Serbia

Border areas of the Republic of Serbia are, in most of the cases, positioned out of the main routes of goods, capital and information. They are peripheral in relation to main development centers and corridors, characterized by depopulation, disadvantageous gender and age structure of the population, low level of the standard of living and with poorly used economic and other development potentials of their territory. They are affected by centripetal and centrifugal development forces. The first represent tendency for keeping the borders closed in order to protect national territory from foreign influences and violations, resulting in peripheral position of the border areas in economic and social sense. The second, due to economic, political, cultural and other interests, are seeking for cooperation and open borders for the circulation of goods, capital and information, strengthening the competitiveness of a border area. We might say as well that prosperity of a border area is dependent on the strength and prevalence of either centrifugal or centripetal forces of development effecting in a given border area, where with reinforcing of centrifugal and impacting on weakening of centripetal forces is possible to achieve higher level of competitiveness. 19 The strong centripetal forces are affecting for centuries, especially during the last one, the territories of the border areas of Republic of Serbia. They determined customs, prejudices, stereotypes and patterns of behaviour towards neighbours. Because of that, the task for cross-border cooperation, as the main driver of strengthening centrifugal and weakening centripetal forces, is extremely complex and long-lasting.

<sup>&</sup>lt;sup>19</sup>Nikolov A., (2009), Planning of Cross-Border Cooperation within Euroregion

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The Euroregions including parts of the territory of the Republic of Serbia are: DKMT (Danube-Kris-Mures-Tisa), Eurobalkans (Niš-Sofia-Skopje), Danube 21, Middle Danube-Iron Gate, Drina-Sava-Majevica, Danube-Nera-Caras, Stara Planina, Nišava, Morava-Pcinja-Struma, GPKT Micro-region, Adria-Alpe-Pannonia Euroregion, Drina Euroregion and we have to mention the Arbeitsgemeinschaft Donauländer working community which is not a genuine euroregion but an example of transnational regional cooperation.

Table 3: Cross-border Structures of Republic of Serbia

CROSS-BORDER STRUCTURE	FOUNDED	STATUS	COUNTRIES INVOLVED	MEMBERS
Arbeitsgemeinschaft Donauländer	1990	Active	Austria, Bulgaria, Croatia, Hungary, Moldova, Germany, Romania, Serbia, Slovakia, Ukraine.	Countries: Austria, Bulgaria, Croatia, Hungary, Moldova, Germany, Romania, Serbia, Slovakia, Ukraine.
Euroregion DKMT Danube–Criș–Mureș– Tisa	1997	Active	Serbia, Hungary, Romania.	Regions: Bács-Kiskun, Csongrád, Vojvodina, Timiş, Arad, Caraş-Severin
Euroregion "Eurobalkans" (Niš- Sofia-Skopje)	2001	Passive	Serbia, Bulgaria and Macedonia	Municipalities: In Serbia: Aleksinac, Babušnica, BelaPalanka, Blace, Bojnik, Boljevac, Bor, Bosilegrad, Bujanovac, Crnatrava, Dimitrovgrad, Doljevac, Gadžin Han, Jagodina, Kladovo, Knjaževac, Kruševac, Kuršumlija, Lebane, Leskovac, Majdanpek, Medveđa, Merošina, Niš, NiškaBanja, Pirot, Preševo, Prokuplje, Ražanj, SokoBanja, Surdulica, Svrljig, Trgovište, Vladičin Han, Vlasotince, Vranje, Zaječar and Žitorađa. In Macedonia: Berovo, Centar, Cair, Delcevo, Djordje, Petrov, Gazi Baba, Karpos, KiselaVoda, KrivaPalanka, Kumanovo, Novo Selo, Pehcevo, Skopje, LjutoOrizari and Veles. In Bulgaria: Belogradcik, Berkovica, Blagoevgrad, Botevgrad, Custendil, Dupnica, Godec, Pernik, Petric, Pleven, Razlog, Sofia and Zlatica.
Euroregion "Middle Danube – Iron Gate"	2002	Passive	Serbia, Romania and Bulgaria.	Municipalities: Smederevo and Negotin. Counties: Vidin, Dolj, Mehedinti and Caraş- Severin.

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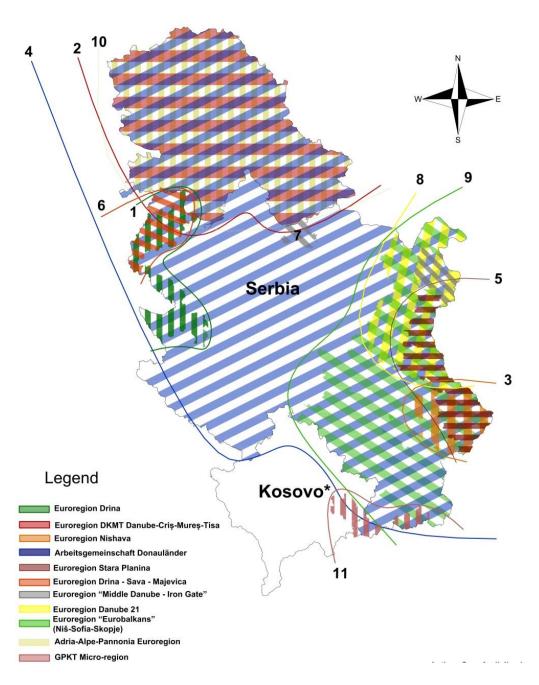
			T		
CROSS-BORDER STRUCTURE	FOUNDED	STATUS	COUNTRIES INVOLVED	MEMBERS	
Euroregion Danube 21	2002	Passive	Bulgaria, Romania, Serbia	Municipalities: Zaječar, Bor, Knjaževac, Negotin, Sokobanja, Boljevac, Kladovo and Majdanpek, Vidin, Belogradčik, Lom, Ružinci, Čiprovo, Dimovo, Makreš, Kula, Novo selo, Kalafat, Pojane Mare, Desa, Čuperčeni and Četate.	
Euroregion Morava - Pčinija – Struma	2003	Passive	Bulgaria, Macedonia, Serbia	No info	
Euroregion Drina - Sava – Majevica	2003	Passive	Serbia, Bosnia and Herzegovina, Brcko District and Croatia.	Municipalities: Bijeljina, Ugljevik, Zvornik Lopare, Donjižabar, Šekovići, Pelagićevo, Sapna Čelić, Teočak, Loznica, Šabac, Mali Zvornik, Bogatić, Valjevo, Drenovci, Gunja, Brčko District	
GPKT Micro-region	2003	Passive	Serbia and Kosovo*, and Macedonia	Municipalities: Gnjilane, Presevo, Trgoviste and Kumanovo	
Euroregion Nishava	2005.	Active	Serbia and Bulgaria	Municipalities: Pirot, Dimitrovgrad, BelaPalanka, Babušnica, Kostinbrod, Bozuriste, Slavnica, Svoge, Dragoman and Godech	
Euroregion Stara Planina	2006	Passive	Serbia and Bulgaria.	Municipalities: Godech, Berkovitsa, Vurshec, George Damyanovo, Chiprovci, Chuprene, Belogradchik, Dimitrovgrad, Pirot, Knjaževac and Zaječar.	
Adria-Alpe-Pannonia Euroregion	2007	Passive	Italy, Austria, Slovenia, Croatia, Hungary and Serbia	Regions: Veneto and Friuli-Venezia Giulia from Italy; Carinthia, Burgenland and Styria from Austria; the whole of Slovenia; Istra, Koprivnica, Križevci and Varaždin from Croatia; Baranya, Zala, Vas, Tolna and Győr from Hungary; and Vojvodina, as the representative of Serbia., Vojvodina	
Drina Euroregion	2012	Passive	Croatia, Serbia, Bosnia and Herzegovina, Montenegro	Municipalities: Županja city, Plužine, Užice city, Loznica city, Šabac city, BajinaBašta, Ljubovija, Mali Zvornik, Goražde canton, Foča, Novo Goražde, Rogatica, Višegrad, Srebrenica, Bratunac, Zvornik and Bijeljina	

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CROSS-BORDER STRUCTURE	FOUNDED	STATUS	COUNTRIES INVOLVED	MEMBERS
Drina- Sava cross border region	2012	Active	Croatia, Serbia, Bosnia and Herzegovina.	Municipalities from:  Bosnia and Herzegovina: Bijeljina, Ugljevik, Lopare, Brčko, Donji Žabari Croatia: Ilok, Lovas, Tovarnik, Nijemci, Vrbanja, Drenovci, Gunja Serbia: Sremska Mitrovica, Šid, Bogatić, Loznica, Šabac
"Drina-Tara" cross border region	2013	Active	Serbia, Bosnia and Herzegovina, Montenegro.	Municipalities from:  Serbia: Ljubovija, Bajina Bašta, Prijepolje, Priboj, Čajetina, Užice  Montenegro: Bijelo Polje, Pljevlja  Bosnia and Herzegovina: Višegrad, Rudo, Goražde, Srebrenica, Bratunac, Milići.

As shown in the Map 4. in the case of Serbia, cross-border structures are usually established in the border area with Hungary, Croatia, Romania, Macedonia and Bosnia and Herzegovina but the largest number of Euroregions is established in the border region with Bulgaria. This area is the hotspot for initiating cross-border cooperation. Next, most interesting areas of intersection of Euroregions are Autonomous province of Vojvodina and Western Serbia.

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Map 4: Cross-Border Structures of Republic of Serbia

Regarding the main priorities of the cooperation one can recognize that the majority of the euroregions has identified several ones thereof including innovative elements, as well. The purposes of cooperation exceed the simple (cultural, sport) level of collaboration and contain long-term, strategic aspects.

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Table 4: Priorities of the Serbian euroregions

Euroregion	Priority No. 1	Priority No. 2	Priority No.3	Other priorities
DKMT Danube-Criş-	Regional	Urbanism, nature	Culture, sports,	International
Mureș- Tisa	development:	and environmental	non-governmental	relations,
	Economy,	protection	organizations and	information, mass
	infrastructure and		social issues	communication,
	tourism			catastrophe
				prevention,
				national health,
				healthcare,
				industrial park,
				tourism and
				agricultural
Danube-Drava-	Infrastructural	Activities for	Preparation,	Promotion of
Sava	network:	promotion of	development and	joint spatial
	construction of	diversity	implementation	planning, nature
	European highway		of joint cross-	conservation and
			border projects	environmental
				protection,
				transport and
				communications,
				economy, tourism
				etc.
Drina-Sava-	Promoting cross-	Legal development	Exploitation of the	Culture, sports
Majevica	border cooperation	Traffic and	economic potential	health care,
		transportation	of the members	energy issues,
			Environmental and	waste management
			nature issues	tourism, recreation
				agricultural
				development,

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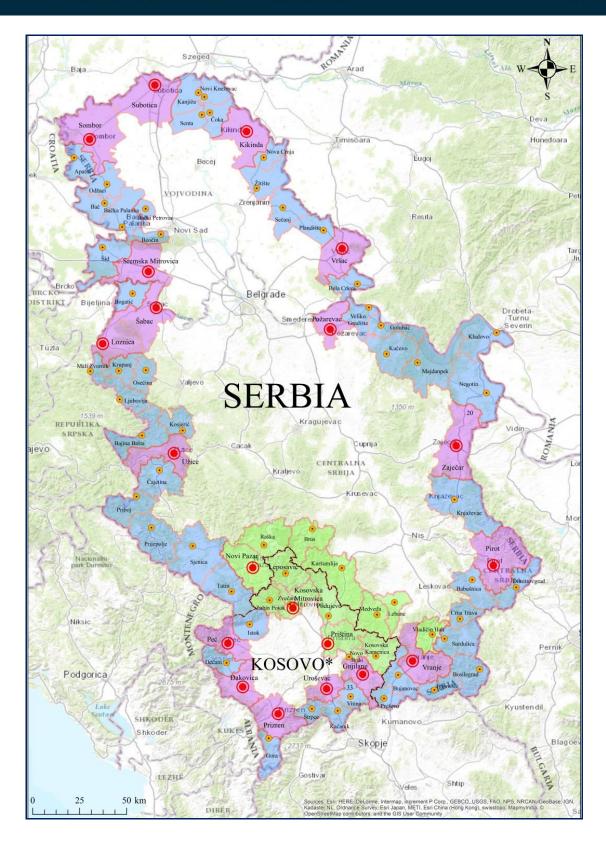
Euroregion	Priority No. 1	Priority No. 2	Priority No.3	Other priorities
				innovation and
				technology
				transfer,
				education and
				occupational
				training
Morava-Pčinja-	Improvement of	Transport,	Local development	Environmental
Struma	overall cooperation	economic		protection
Nishava	Support and	Development of	Implementation of	Exchange
	coordination of	plans and	cross-border	experiences and
	cross-border	programs in the	projects	information
	development	field of cross-		needed for
		border cooperation		coordination of
				joint development
Middle Danube	Poor economy and	Development of	Communication,	
Iron Gates +	unused natural	plans and	Exchange of	
Euroregion	resources which	programs in the	Information and	
Danube 21	is associated with	field of cross-	Networking	
	events of the past	border cooperation		
StaraPlanina	Sustainable	Tourism and	Infrastructure	Culture and sport
	development and	agriculture		
	environmental			
	protection			
Danubius	Support and	Economical	Education and	Culture and
	coordination of	development,	labourmarket	agriculture
	cross-border	transport,		
	development	environment		
"Eurobalkans"	Main project: Niš-	Economy, ecology,		
(Niš- Sofia- Skopje)	Sofija highway and	culture, science		

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Euroregion	Priority No. 1	Priority No. 2	Priority No.3	Other priorities
	Skoplje-Sofija	and education		
	railway			
Drina Euroregion	Protection of Drina	Economic	Environmental	Tourism
	River and	development	protection	
	coordination of			
	water			
	management			
	activities			
"Drina-Tara"	Rural development	Agriculture	Tourism	Economic
				development
Adriatic-Ionian	Development of	Promoting	Sustainable and	Economic
	cooperation in the	international	rural development	development
	area of preserving	projects and		
	of the Adriatic and	friendship		
	the Ionian Sea			
Adria Alpe	Promoting	Tourism	Investment funds	Innovation patents
Pannonia	traditional organic		and EU projects and	and protection of
	and brand food		environmental	geographical brand
	producers		protection	

### CROSS-BORDER INITIATIVES BALKANS



Map 5: Cities in Border Areas of Republic of Serbia

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Map 5 represents cities and municipalities located in border areas in the Republic of Serbia and Kosovo\*. Main criterion which is used for defining border areas in this map is 25 km distance from national border. Cities and towns within border areas represent administrative centres defined by Serbian Law on Territorial Organization. As seen from the map, there are 20 cities (including Serbia – Kosovo\* administrative border territory) situated in border areas

with solid institutional, administrative and economic ability to initiate cross-border cooperation and development and larger number of municipalities that are involved in implementation of cross-border projects. In addition, there are 12 euroregions and one microregion which are established on the outer borders of the EU and outside the borders of the EU. The two most active euroregions, DKMT and Nišava, are covering the territory of AP Vojvodina and Nišava river basin.

Taking into account the number of implemented cross-border projects - 497<sup>20</sup>, activities of euroregions, involvement of local regional and national governmental bodies we can conclude that the hotspots for initiating the cross-border cooperation are the areas of AP Vojvodna, Nišava river basin and confluence area of Drina and Sava.

Capacity for changes and innovations of the Republic of Serbia in the area of cross-border cooperation, are constantly growing in the local and regional levels. Indicators of such a trend are: implemented cross-border projects, cross-border structures, institutions involved in cross-border cooperation, large number of regional, provincial and national governmental bodies that have departments for EU integration and regional cooperation.

What lies in front of us is the period of exploring new areas of cross-border cooperation and implementing them through new improved cross-border tools like EGTCs and ECGs.

<sup>&</sup>lt;sup>20</sup> http://www.keep.eu/

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#### The EGTC and Serbia

The European Grouping of Territorial Cooperation (EGTC) is a new EU instrument for municipalities, regions and states to establish cross-border, transnational or interregional cooperation structures with similar parties of another member state, in order to fulfill their common objectives. The set-up of EGTCs is possible by the No 1302/2013 (EU) REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013, amending Regulation (EC) No 1082/2006 on a European Grouping of Territorial Cooperation (EGTC).

Currently, entities of the Republic of Serbia cannot participate as full members in an EGTC, despite the fact that the relevant EU regulation enables the eligible legal subjects of non-EU member countries to participate in this type of structures. This is due to the lack of relevant regulation of the "third country" (i.e. the Republic of Serbia) or an agreement between the interested third countries and member states.

Regulations in force in the Republic of Serbia do not enable the participation in European Groupings of Territorial Cooperation (EGTCs), because no law stipulates a possibility of setting up entities like EGTC, i.e. a possibility of concluding agreements on joining a legal entity which is registered on the territory of another country. Article 13 paragraph 2 and 3 of the Law on Local Self-government (Official Gazette of RS, no. 101/2016 amending no 83/14 and 129/07) stipulates that local self-government may co-operate with local self-governments of other countries, in the framework of the foreign policy of Republic of Serbia, with respect of territorial unity and legal system of the Republic of Serbia, in compliance with the Constitution and the law. The decision of setting up the cooperation, namely the conclusion of Agreement on Cooperation with local governments of another country shall be passed by the assembly of a local self-government, with the Government consent. Under Article 88 paragraph 2 of the same law, it is stipulated that local government may cooperate

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in the fields of common interest with appropriate territorial communities and local governments in other countries, in the framework of the Republic of Serbia's foreign policy, with the respect of territorial unity and legal system of the Republic of Serbia, in compliance with the Constitution and the law. Under these Articles of law the competence of the Ministry of Public Administration and Local Self-government is indirectly defined as approval authority (these provisions are in compliance with the European Charter of Local Self-government ratified by the Republic of Serbia).

The Republic of Serbia has signed the Madrid Outline Convention on 29.05.2015. This agreement was ratified on 15.03.2016 and came into force on 16.06.2016. but there are no agreements between the country and EU Member States that foresee setting up entities similar to ECG or EGTC. <sup>21</sup>

As a non-EU Member State Serbian municipalities have **observer** status in the Banat-Triplex Confinium EGTC whose members are from Hungary and Romania. The BANAT-TRIPLEX CONFINIUM EGTC was established in 2009 with a seat in Mórahalom (Hungary) with the aim of achieving economic and social cohesion by territorial cooperation.

Aim is to make marginalized borders dynamic and competitive, especially in the field of agriculture. Development strategy of the EGTC covers the following areas:

- agricultural innovation,
- exploitation of renewable energy sources,
- infrastructure and
- education and training.

Banat-Triplex Confinium EGTC covers the area of 40 Hungarian and 40 Romanian local municipalities and 8 Serbian municipalities as observers.

 $<sup>^{21} \</sup> ANSWERS \ TO \ THE \ EUROPEAN \ COMMISSION `S \ QUESTIONNAIRE \ Chapter \ 22: \ Regional \ policy \ \& \ coordination \ of \ structural \ instruments, \ http://www.mei.gov.rs/eng/documents/eu-documents/$ 



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- Hungarian members of the grouping are: Ambrózfalva, Apátfalva, Ásotthalom, Bácsborsod, Bordány, Csanádalberti, Csanádpalota, Csengele, Csikéria, Domaszék, Ferencszállás, Forráskút, Földeák, Gara, Kelebia, Királyhegyes, Kiskunhalas, Kistelek, Kiszombor, Klárafalva, Kövegy, Kunbaja, Madaras, Magyarcsanád, Makó, Maroslele, Mórahalom, Nagyér, Nagylak, Óföldeák, Öttömös, Pitvaros, Pusztamérges, Röszke, Tompa, Újszentiván, Üllés, Zákányszék and Zsombó.
- Romanian members: Banloc, BebeVeche, Bird, Carpinis, Cenad, Cene, Chece, Ciacova, Comloşu Mare, Foeni, Denta, Deta, DudeştiiVechi, Gătaia, Gilad, Giera, Giulăz, Gottlob, Iecea Mare, Jamu Mare, Jebel, Jimbolia, Lenauheim, Liebling, Livezile, Lovrin, Moraviţa, NiţchidorfOtelec, Periam, Pesac, Săcălaz, Sag, Sânnicolau Mare, Sanmihaiu Roman, Sânpetru Mare, Tomnatic, Uivar, Variaş and Voiteg
- **Serbian observer members**: Ada, Žitište, Čoka, Kikinda, Nova Crnja, Kanjiža, Novi Kneževac, and Senta.



Map 6: Banat Triplex Conficium EGTC<sup>22</sup>

<sup>&</sup>lt;sup>22</sup> http://www.btc-egtc.eu/rs/bemutatkozasrs/csoportosulasrol

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Hungary has a significant number of entities with a great experience in establishing, strategic planning and managing EGTCs. Besides, more than one third of all established EGTCs in the EU are either established in Hungary or include Hungarian members. This EU tool has proven to be a good instrument for strengthening cross-border cooperation among the countries in order to tackle common problems and to launch joint developments. In accordance with EU regulation, Hungary adopted the Act LXXV. of 2014, on the European Grouping of Territorial Cooperation and 2/2014. (XII.30.) MFAT decree of the Minister for Foreign Affairs and Trade replaced by Government Decree 485/2017 (XII.29.) MFAT decree of the Minister for Foreign Affairs and Trade (in force from the 1st of January 2018) on the detailed rules concerning the approval and registration proceedings of the EGTCs.

One of the good examples from Hungary with establishing an EGTC with full participation of a non-EU member state is the EGTC between Hungary and Ukraine — the **Tisza EGTC**. Tisza EGTC was founded in 2015 with the participation of Transcarpathia (UKR), Szabolcs-Szatmár-Bereg County and Kisvárda (HU). The EGTC structure is essential as this is the first time that this type of cooperation has been established between an EU and a non- EU country. The EGTC was established aiming at the development of cross-border cooperation of Szabolcs-Szatmár-Bereg County with the Transcarpathian region through EU tenders. The seat is located in Kisvárda, Hungary and the EGTC has an office in Uzhgorod, Ukraine.

Building connections at the external border of the EU with a neighbouring third country is a challenge for the EU, Hungary and Ukraine. The biggest advantage of the Tisza EGTC is that it allows the implementation of international projects with joint planning and cross-border impact, which is of crucial importance in the region. Many problems need to be solved cooperatively, from the common flood protection and the renovation of Transcarpathian wastewater treatment plants to transport and the development of economic relations. The purpose of the EGTC is to create a solid and stable cooperation and social cohesion across, and to develop the infrastructure and economy of the EU external border area. It shall adapt

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EU best practices in different fields and support the Euro-Atlantic integration of the Ukraine. In 2016, the grouping created the framework and infrastructure for the functioning of the EGTC. As it was newly created, the EGTC is currently preparing project proposals, for example, for the HUSKROUA ENI CBC Programme calls. The EGTC has just finalised drafting the Integrated Territorial Cohesion Strategy. The EGTC also contributes to the Danube macro-regional strategy.<sup>23</sup>

## Proposal on the legal background of EGTCs in Serbia

Serbia has been very active in CBC with neighbouring countries, in particular the cooperation with Hungary is very dynamic and intense. The overall assessment of cross-border structures and initiatives clearly pointed out that we could expect that the next non-EU country that would be a full member of an EGTC is the Republic of Serbia, especially eight Serbian partners that had already been involved in the EGTC Bánát Triplex Confinium as observers.

The main steps in establishing the EGTC are as follows:

## **REQUIREMENTS**

At least 1 Member State needed

t Final authorization by all the EU Member States involved in the EGTC

Third Country (Serbia)

The Third country may adopt EGTC law or give individual authorization

The headquarters must be located in the EU

<sup>&</sup>lt;sup>23</sup> https://portal.cor.europa.eu/egtc/CoRActivities/Pages/tisza-egtc.aspx 40

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Figure 1: The main components of the establishment of an EGTC

In order to be able to be a full member of the EGTC Republic of Serbia should adopt an Act on European Grouping of Territorial Cooperation or at least should apply equivalent conditions and procedures to those laid down in Regulation (EC) No 1082/2006. The adoption of an Act would allow legal subjects from the Republic of Serbia to participate as full members in EGTCs registered in EU member states. The participation of entities from Serbia in an EGTC will be allowed by the approving authority of the Republic of Serbia. This is in harmony with Serbia's legal harmonization with EU legislations. The relevant Hungarian implementing regulation can be a good model to elaborate its Serbian counterpart.

Also signing a bilateral or multilateral agreement with the neighbouring EU member states as Member States of the Council of Europe, based on the Madrid Outline Convention and the additional Protocols adopted pursuant thereto, could serve as a legal basis for Serbian entities to join EGTCs (in the case of the involvement of several EU Member States it should be sufficient that such an agreement has been concluded between Serbia and one Member State of the Union). Bilateral agreements enable the relevant Serbian entities to participate in EGTCs with relevant entities located in the neighbouring country that the agreement is signed with. The bilateral agreement can substitute the Act or clarify it.

For finalizing the Act on European Grouping of Territorial Cooperation a Working Group should be established with the representatives of Ministry of Foreign Affairs, Ministry of Public Administration and Local Self-Government and Ministry of European Integration.

For adopting the Act on European Grouping of Territorial Cooperation it is necessary to carry out the advocacy campaign in the year of 2018.

Within the framework of the study, the experts of CESCI Balkans have elaborated a draft version of a potential EGTC law (based on the relevant Hungarian legislation) (see in ANNEX).

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## Proposal on legal background of ECGs in Serbia

The Madrid Outline Convention that entered into force on 22 December 1981 made the creation of Euroregions much easier and the functionality of Euroregions more efficient, especially after adoptions of three Additional Protocols that expanded the opportunities for European border regions to cooperate. In particular, the Republic of Serbia has signed the Madrid Outline Convention on 29.05.2015. This agreement was ratified on 15.03.2016 and came into force on 16.06.2016. The neighbouring countries that signed and ratified the Convention are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Montenegro and Romania. The first Additional Protocol has been signed by the following neighbouring countries: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro and Romania. The Protocol No. 2 has been signed by: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro and Romania. The Protocol No. 3 came into force in 2013 and, so far, it has been signed by thirteen countries, among others Montenegro, Russian Federation, Switzerland, Germany, France, etc.

The Article 1 of Protocol No. 3 defines Euroregional co-operation groupings (ECGs) as follows: "Territorial communities or authorities and other bodies referred to under Article 3, paragraph 1, may set up a transfrontier co-operation body in the form of a "Euroregional co-operation grouping" (ECG) on the territory of the member States of the Council of Europe, Parties to this Protocol, under the conditions provided by it.

The objective of the ECG shall be to promote, support and develop, for the benefit of populations, transfrontier and interterritorial co-operation between its members in their

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common areas of competence and in keeping with the competences established under the national law of the States concerned."<sup>24</sup>

All the countries that are bordering with the Republic of Serbia, except FYR Macedonia, have ratified the Madrid Outline Convention. From neighbouring countries of Republic of Serbia the Protocol No 3 is so far signed by Montenegro. That border area is the one that can be explored in process of **creation of the first ECG in Europe** with headquarters in Serbia and involving Serbia's and Montenegro's local and regional authorities.

The **second ECG** that can be explored for establishment is the Network Education ECG inspired by similar network EGTC already established in the EU, and it could involve regions form most of the countries that signed the Protocol No 3 of Madrid Outline Convention. The countries that may be involved in this ECG with headquarters in Serbia are: Montenegro, Russian Federation, Switzerland, Germany, France, etc.

In order to be able to establish the first ECG the following steps should be taken:

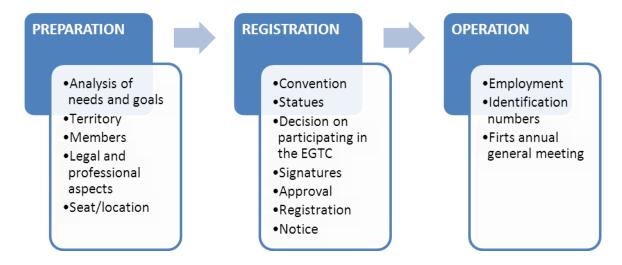


Figure 2: The steps of the establishment of an ECG

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<sup>&</sup>lt;sup>24</sup> Protocol No. 3 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euroregional Co-operation Groupings (ECGs). <a href="https://www.coe.int/en/web/conventions/full-list/-/conventions/rms/0900001680084827">https://www.coe.int/en/web/conventions/full-list/-/conventions/rms/0900001680084827</a>

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Parallel with this process Republic of Serbia should insist its neighbouring countries to sign and ratify all three Additional Protocols of the Madrid Outline Convention.

The ratification of the Protocol of the Madrid Outline Convention should also contain which operating body will be in charge of authorization for establishment or participation of local and regional authorities of Republic of Serbia in an ECG and will keep the registry of established ECG with Serbian participation. In line with that, recommendation is that the Platform for ECG and EGTC should be created for this purpose under the Ministry of Foreign Affairs.

Process of the establishment of the ECG is defined by Article 4 of the Protocol No 3.

- 1. The ECG shall be established by a written agreement between its founding members.
- 2. The prospective members shall submit all appropriate documentation to prove that the necessary procedures or formalities required by the national law applicable to them have been respected. This documentation shall be appended to the agreement.
- 3. The agreement shall specify, in addition to the list of members, the name of the ECG, the address of its headquarters, the duration, object and tasks of the ECG, as well as its geographical scope. The name of an ECG whose members have limited liability shall include the word "limited."
- 4. Before concluding an agreement to found an ECG or before joining an ECG, the territorial communities or authorities shall, as appropriate, inform, notify or obtain authorisation from their national authorities regarding this intention.
- 5. Authorisation may be refused if membership of the ECG would violate this Protocol or provisions of national law, including the powers and responsibilities of prospective members, or if membership is not justified for reasons of public interest or of public policy of the party concerned. In such a case, the Party shall give a statement of its reasons for withholding approval.

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- 6. Each State may, in a declaration deposited with the instrument of ratification or at any subsequent time, waive the requirement of information, notification or authorisation referred to in paragraph 4, in general, or for specific categories of territorial communities or authorities or for specific types of co-operation.
- 7. The agreement shall be registered or published in the State where the ECG has its headquarters, as well as in all States to which its members belong, in accordance with the national law applicable.
- 8. The territorial communities or authorities, members of the ECG, shall inform their national authorities that the ECG has been lawfully established.
- 9. The agreement shall be written in the language(s) of the State where the ECG has its headquarters and in the language(s) of the member(s), all versions being equally authentic.

Initiation of the signing and Signing all three Ratifying all three ratification of all Additional Additional three Additional **Protocols** Protocols Protocols

Figure 3: The steps to be taken in Serbia

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## **ANNEXES**

## Annex 1.

## Proposal on the EGTC law of Serbia

## **Chapter I**

## **GENERAL PROVISIONS**

## Article 1.

The Serbian name for the "European grouping of Territorial Cooperation" (EGTC) is " Европска група за територијалну сарадњу" (briefly EGTS).

The EGTS shall be established by at least two legal entities – a Serbian and a foreign one, with headquarters set up in one of the EU Member States under the national law of that State with the exclusive aim of strengthening economic, social and territorial cohesion.

## Article 2

EGTS with a registered headquarters in one of the EU Member States shall be established to facilitate and promote territorial cooperation - cross-border, transnational and interregional cooperation, and it shall comprise the following members:

- 1. State or authorities at national level;
- 2. regional authorities;
- 3. local authorities;
- 4. bodies governed by public law;

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5. associations consisting of bodies belonging to one or more of the categories under item 1, 2, 3, and 4.

#### Article 3

EGTS may not be established with the primary aim of pursuing business activities and may not perform public authority activities.

As defined by the statute of the EGTS it may perform business activities in order to facilitate the competitiveness of the members without endangering its mission.

## Chapter II

## **ESTABLISHMENT AND ORGANISATION OF EGTS**

## Article 4

The name of the EGTS contains the wording "European Grouping of Territorial Cooperation". In case the liability of any of the members of the EGTS is limited then the name of the EGTS should include the wording "EGTC with limited liability".

The decision to establish an EGTS shall be taken at the initiative of its prospective members.

Each prospective member shall:

- (a) notify the State under whose law it has been formed on its intention to participate in an EGTS; and
- (b) send a copy of the proposed convention and statutes referred to in Articles 5 and 6 to that State.

In the event of non-approval, the State shall state its reasons for withholding approval and shall, where appropriate, suggest the necessary amendments to the convention.

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#### Article 5

An EGTS shall be governed by a convention concluded unanimously by its members.

The convention shall specify:

- (a) the name of the EGTS and its registered office;
- (b) the extent of the territory in which the EGTS may execute its tasks;
- (c) the objective and the tasks of the EGTS;
- (d) the duration of the EGTS and the conditions for its dissolution;
- (e) the list of the EGTS's members;
- (f) the list of the EGTS's organs and their respective competences;
- (g) the applicable European Union law and national law of the Member State where the EGTS has its registered office for the purposes of the interpretation and enforcement of the convention;
- (h) the applicable European Union law and national law of the Member State and/or third country where the EGTS's organs act;
- (i) the arrangements for the involvement of members from third countries including the identification of applicable law where the EGTS carries out tasks in third countries;
- (j) the applicable European Union and national law directly relevant to the EGTS's activities carried out under the tasks specified in the convention;
- (k) the rules applicable to the EGTS's staff, as well as the principles governing the arrangements concerning personnel management and recruitment procedures;
- (I) the arrangements for liability of the EGTS and its members;

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control of the management of public funds; and

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- (m) the appropriate arrangements for mutual recognition, including for financial
- (n) the procedures for adoption of the statutes and amendment of the convention.

Where the tasks of an EGTS concern only the management of a cooperation programme, or part thereof, under Regulation (EU) No 1299/2013, or where an EGTS concerns interregional cooperation or networks, information under point (b) of paragraph 2 shall not be required.

## Article 6

The statutes of an EGTS shall be adopted on the basis of, and in accordance with, its convention, by its members acting unanimously.

The statutes of an EGTS shall specify, as a minimum, the following:

- (a) the operating provisions of its organs and those organs' competences, as well as the number of representatives of the members in the relevant organs;
- (b) its decision-making procedures;
- (c) its working language or languages;
- (d) the arrangements for its functioning;
- (e) its procedures concerning personnel management and recruitment;
- (f) the arrangements for its members' financial contributions;
- (g) the applicable accounting and budgetary rules for its members;
- (h) the designation of the independent external auditor of its accounts; and
- (i) the procedures for amending its statutes.

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## Article 7

An EGTS shall have at least the following organs:

- (a) an assembly, which is made up of representatives of its members;
- (b) a director, who represents the EGTS and acts on its behalf.

The statutes may provide for additional organs with clearly defined powers.

An EGTS shall be liable for the acts of its organs as regards third parties, even where such acts do not fall within the tasks of the EGTS.

#### Article 8

The approval on a prospective Serbian member's participation in an EGTS should be decided upon by authority designated by the relevant national legislation (hereinafter referred to as Authority).

The Authority holds Convention, Statutes and records on the data of the organizations with approvals as regulated by Paragraph (1). The records shall include the following data:

- a) the list of the members and their seat,
- b) the name of the EGTS and its seat,
- c) the objective and task of the EGTS,
- d) the date of the entry into force of the decision on the approval.

The data contained in the records according to Paragraph (2) is being published by the Authority on its website and is accessible for everyone without any restrictions.

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## Chapter III

#### FINANCIAL MANAGEMENT OF THE EGTS

#### Article 9

The EGTS shall manage its finances independently with a view to implementing the aim identified in the convention.

An EGTS shall establish an annual budget which shall be approved by the assembly, containing, in particular, a component on running costs and, if necessary, an operational component.

The preparation of its accounts including, where required, the accompanying annual report, and the auditing and publication of those accounts, shall be governed by the national law of the European Union Member State where the EGTS has its registered office.

## Article 10

The EGTS shall publish its report on its website and by the means regulated in the relevant legislation described in Article 9 in the manner specified for that fiscal year within 60 days after the date of balance sheet, and shall notify the Authority.

## **Chapter IV**

## **SUPERVISION AND CONTROL**

## Article 11

The lawful operation of the EGTS is supervised by the Authority concerned in accordance with the legislative stipulations governing the authority supervisory activities.

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In case the operation of the EGTS conflicts any legislation, adopted convention or statute the Authority concerned warns the EGTS to restore its lawful operation with a set deadline.

Should the EGTS fail to restore its lawful operation within the set deadline, the Authority concerned shall, ex officio, arrange the dissolution of Serbian member of the EGTS.

## Article 12

Control of an EGTS's management of public funds shall be organised by the competent authorities of the EU Member State where the EGTS has its registered office. The Member State where the EGTS has its registered office shall designate the competent authority for this task before giving its approval to participation in the EGTS.

The Member State where an EGTS has its registered office shall inform the other States and third country concerned of any difficulties encountered during the controls.

## Article 13

The Serbia State Audit Institution may contact the competent authority of the Member State of establishment with a view to conducting controls in case a Member under the laws of Serbia takes part in an EGTS established abroad.

If the State Audit Institution detects any unlawful act by the EGTS within the scope of its financial management, then it requests the restoration of the statutory condition. In case of a severe violation of the law, financial management conflicting the adopted convention or statute, or if the EGTS fails to fulfill such request, the President of the State Audit Institution might initiate a proceeding aiming for the dissolution of the Serbian member from EGTS in front of the Authority.

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## Article 14

Where an EGTS carries out any activity in contravention of a State's provisions on public policy, public security, public health or public morality, or in contravention of the public interest of a State, the Authority may prohibit that activity on its territory or require those members which have been formed under its law to withdraw from the EGTS unless the EGTS ceases the activity in question.

Such prohibitions shall not constitute a means of arbitrary or disguised restriction on territorial cooperation between the EGTS's members.

Review of the competent body's decision by a judicial authority shall be possible.

## **Chapter V**

## **TERMINATION OF THE EGTS**

## Article 15

The EGTS may terminate only without a legal successor.

## Article 16

The EGTS terminates if the fixed term specified in the convention has elapsed or another condition of termination specified in the convention has occurred, furthermore if the EGTS decided on termination without a legal successor.

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## **Chapter VI**

## **CLOSING PROVISIONS**

## Article 17

The Authority is empowered to regulate the detailed rules on the registration approval for Serbia's EGTS members and proceedings and on the issues concerning the dissolution of the Serbia's EGTS membership by the means of a decree.

## Article 18

This act shall enter into force on the fifteenth day after its publication.



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## Annex 2.

# Bilateral agreements of the Republic of Serbia with neighbouring states<sup>25</sup>

Country	Field of Bilateral Agreements	No. of Bileteral			
Country	Field of Bildteral Agreements	Agreements			
Albania	environmental protection, tourism, avoidance of double	55			
	taxation, combating terrorism, organized crime, trafficking and				
	other illegal activities, mutual promotion and protection of				
	investments, border incidents, etc.				
Bosnia and	social security, energy, economic cooperation, joint patrol 32				
Herzegovina	units at the common state border, cooperation in the process				
	of European integration, education, legal assistance in civil				
	and criminal matters, cross-border traffic , cross-border traffic,				
	protection of investments, international transport, etc.				
Bulgaria	international road transport, cross-border crime, European	108			
	integration, partnership for peace, border control, economic				
	cooperation, cross-border police cooperation, railway traffic,				
	border crossings, education, culture, sports, "a frontier-free				
	Balkans", health and medical science, international road				
	transportation, customs, avoidance of double taxation,				
	tourism, protection of investments, fishery in border waters,				
	navigation on the Danube river, energy, CBC IPA, international				
	tourism cooperation in the Balkans, etc.				

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<sup>&</sup>lt;sup>25</sup> http://www.mfa.gov.rs/en/foreign-policy

## CENTRAL EUROPEAN SERVICE FOR CROSS-BORDER INITIATIVES BALKANS

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Croatia	international road traffic, defense cooperation, CBC IPA, inland	39			
0.0000	waterways and navigation, police cooperation, European				
	integration, language and literature, cooperation between				
	Vojvodina and Istria, customs, minorities, border crossings,				
	cultural and educational cooperation, avoidance of double				
	taxation , investment protection, legal assistance in civil and				
	criminal matters, etc.,				
Hungary	cooperation and mutual assistance in case of catastrophe,	133			
	water supply, air traffic, plant protection, agriculture, fishing in				
	the Dunav waters, navigation on Drava river, HEALTH				
	protection of investments, avoidance of double taxation,				
	customs, cross-border traffic control, social security, economic				
	cooperation, tourism, international road transport, ,				
	infrastructure development, railway , cross-border crime, IPA				
	CBC, education, culture, youth, sport, scientific and				
	technological cooperation, minority, Border crossings,				
	European integration, etc.				
Macedonia	culture and arts, phytosanitary cooperation, food and	38			
	veterinary security, youth and sports, police cooperation, joint				
	patrolling, international transport, economic cooperation,				
	defense cooperation, cultural heritage protection, legal				
	assistance in civil and criminal matters, minority, border				
	crossings, social security, scientific-technical cooperation,				
	investment promotion and protection, etc.				

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Montenegro	avoidance of double taxation, health and medical sciences,	22				
	stock exchange, customs matters, cooperation and protection					
	from natural and other disasters, road transport, investment					
	protection and promotion, economic cooperation,					
	international road traffic, extradition, legal assistance in civil					
	and criminal matters, border control, railway traffic, social					
	security, etc.					
Romania	economic, scientific and technical cooperation, sports,	119				
	European and Euro-Atlantic integration, IPA CBC, transborder					
	crime, environmental protection, international road transport,					
	combating organized crime, international illicit trafficking in					
	narcotic drugs and international terrorism, minority, hydro-					
	power and navigation systems of Djerdap i and Djerdap ii,					
	industry, tourism, avoidance of double taxation, friendship,					
	good-neighbourhood and cooperation, investment promotion					
	and protection, environmental protection, economic					
	cooperation in border zones, customs, fishery in the Danube					
	river, equivalence of education documents, health insurance,					
	crossing of the border during holidays, traditional					
	manifestations and other events, international tourism					
	cooperation in the Balkans ,etc.					

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## Annex 3.

## Cross-Border protected areas and reserves around Serbia

PROTECTED CROSS- BORDER AREAS	BORDER AREA	FOUNDED	MEMBERS
The Green Belt Initiative	Hungary / Romania / Bulgaria / Macedonia / Albania / Montenegro	2003	Norway, Finland, Russia, Estonia, Latvia, Lithuania, Poland, Germany, Czech Republic, Austria, Slovakia, Hungary, Slovenia, Italy, Croatia, Serbia, Romania, Bulgaria, Montenegro, Kosovo*, Macedonia, Albania Greece, Turkey
Mikroregion Danube – Nera – Caras	Romania	2006	Romania and Serbia
Dinaric Arc Initiative	Montenegro / Albania	2008	Italy, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Albania, Serbia and Kosovo*
Transboundary biosphere Mura- Drava-Danube	Croatia	2011	Austria, Croatia, Hungary, Serbia and Slovenia
Stećci Medieval Tombstones Graveyards	Bosnia and Herzegovina / Montenegro	2016	Bosnia and Herzegovina, Croatia, Montenegro and Serbia