

## Tool 6

### Possible legal structures for cooperation



**Setting up a common legal structure is not mandatory for a cooperation project.** In most cases, a *cooperation agreement* should provide an adequate legal framework for cooperation projects. A generic template for a cooperation agreement is presented as an Annex of the updated DG AGRI Guidance for implementation of LEADER Cooperation activities in Rural Development Programmes 2014-2020 [PDF<sup>[en]</sup>].

In case cooperation partners decide to set up a specific legal structure for the project they should remember that setting this up can involve a lot of effort and – usually – costs. This should only be done if there is a strong justification for it. A list of types of legal structures is presented below but is not exhaustive and includes references to EU level guidance only. In case the cooperation partners decide to set up a legal structure, the relevant Member State regulations should also be considered.

#### 1 Types of legal structures

##### 1.1 European company

---

If your project is strongly focused on business-type activities and needs an independent actor to carry them out, you may consider setting up a European company: a public, limited liability company regulated by EU law. You will find more information at the following link:

[http://europa.eu/youreurope/business/start-grow/european-company-legal-form/index\\_en.htm](http://europa.eu/youreurope/business/start-grow/european-company-legal-form/index_en.htm)

##### 1.2 Non-profit association

---

The partners may decide to set up a non-profit association according to the laws of one of the countries of a participating LAG. The relevant regulations of the selected country need to ensure that transnational partners are able to become members in such an association. It is also possible to set up an international NGO at the EU level, based in Brussels. You will find more information at the website of the Federation of European and International Associations established in Belgium (<http://faib.org>).

##### 1.3 European Grouping for Territorial Cooperation (EGTC)

---

This type of legal entity is designed to promote cross-border, transnational and inter-regional cooperation. Its membership may only comprise public bodies. You will find more information here:

[http://ec.europa.eu/regional\\_policy/en/policy/cooperation/european-territorial/egtc/](http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/egtc/)

## Tool 6

# Possible legal structures for cooperation

## 2 Legal statutes

---

Writing statutes for the legal structure a cooperation project needs to be done through close coordination between the partners. Several exchanges will be required to:

- Define statutes that match the legal requirements and constraints existing in the EU (if you are setting up a European structure) and in the Member States of the different partners;
- Find the right balance between the partners' needs, the actions that the new legal entity is expected to implement, and the minimum requirements for any international organisation i.e. balanced representation of the different partners and areas involved, presidency of the structure representing the different partners (a "revolving" presidency changing every year can be a satisfactory solution), choice of a working language;
- Enable the common structure to be active within a reasonable timeframe and leave the possibility for the structure to be modified over time: does the structure have a limited life period, can (and under which conditions) members of the structure step out of it or new members be included, etc.

It is not possible to cover all the possibilities of such an entity's legal statutes here. The following checklist presents some of the most important items of content for statutes. These can be considered a 'minimum set' of requirements, which then may have to be adapted to the individual partnership, the project implemented and of the type of structure eventually chosen:

- The parties to the common structure and their legal form;
- The objectives;
- Its name and where it is located;
- Its organisation and governance (decision-making structure, technical team), the different competencies, etc.;
- How members will be invited to the meetings;
- The rules for representation and decision-making;
- The criteria for the participation of the members to the financial needs and budget rules; and
- The life span of the structure and way to terminate it if required.