

The latest stages of this process are the Modernisation of Territorial Public Action and the Affirmation of Metropolitan Areas Act (the “MAPTAM Act”; entered into force on 27 January 2014) and the New Territorial Organisation of the Republic Act (the “NOTRe Act”; entered into force on 8 August 2015).

Indeed, the regions are to have sole competence when it comes to deciding on economic intervention (notably via regional economic development, innovation and internationalisation plans (SRDEIs) and a monopoly on direct aids to enterprises, particularly SMEs and mid-tier firms). They will take the lead as regards policies supporting economic development, innovation, the internationalisation of businesses, higher education and research. However, departments, municipalities and groups of municipalities will continue to be able to act, provided that they do so with the agreement of the relevant region. Metropolitan areas in particular will be able to establish business areas, purchase stakes in business accelerators, and support higher education and research.

#### The reform tends to reaffirm the local/regional pairing:

- The **local level** will increasingly be taken care of by “communities of municipalities”, conurbation communities and “metropolises” (subsuming urban “departments” in some cases), which in cross-border areas will be able to implement the local strategies referred to above (Eurodistricts, etc.).
- The **regional level** will be looked after by the new super-regions, which are equipped with planning documents (regional sustainable planning and development and territorial equality plans; regional economic development, innovation and internationalisation plans) and are now mainly responsible for the application of structural funds, including ETC programmes. These regions will be able to implement the Euroregional strategies referred to above. It should be noted that, in certain cases, the law explicitly refers to competences in respect of cross-border cooperation. For example, the NOTRe Act stipulates: “In border regions, the [economic development] plan may contain a cross-border component drawn up in cooperation with the territorial authorities of neighbouring countries.”

Putting aside the inevitable debate surrounding the appropriateness of the composition of the new regions, there is a degree of consensus regarding the fact that these regions will be able to act with greater coherence when developing strategies<sup>128,129</sup> within “dual production-based and residential systems”<sup>130</sup> “that can be implemented and invested in throughout the life cycle and at each of its various stages (training, work, housing, entertainment, holidays, retirement, etc.)”.

**The department level is not disappearing** (other than in the case of some conurbations), but instead is becoming a link between the regional and local levels: social cohesion spaces, pooling of public services (departmental public service plans, role of the decentralised State), etc. The local roles and mediation functions performed by departments could even increase within the super-regions in order to take account of cross-border aspects, notably along the mountain borders or in new regions with more than one border, such as Alsace-Champagne-Ardenne-Lorraine.



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## IN A NUTSHELL...

**The economic governance of a territory brings together a multitude of different public, semi-public and private players – both collective and individual, and national and international. A cross-border territory is thus highly complex to manage, all the more so given that the lack of statistical data inevitably discourages the various players from considering cross-border operations. To this end, the costs incurred as a result of the lack of public action at cross-border level need to be looked at. In summary, the process of putting cross-border governance in place is a gradual one, starting with a limited partnership and then expanding it from a national to a cross-border partnership, before moving from a limited cross-border partnership to one bringing together more players. Governance is established using a cooperative approach, but one that takes account of the fact that there is competition between the two or three national territories coexisting along the border (“co-opetition”). Various processes can also alter the composition of that governance and the construction of partnerships (such as the territorial reforms in France).**

<sup>128</sup> B. Lajudie, *Réforme régionale: un enjeu pour la croissance?* ([www.strategie.gouv.fr/publications/reforme-regionale-un-enjeu-croissance](http://www.strategie.gouv.fr/publications/reforme-regionale-un-enjeu-croissance))

<sup>129</sup> A. Amabile, C. Bernard and A. Epaulard, *Réforme territoriale et cohérence économique régionale* ([www.strategie.gouv.fr/publications/reforme-territoriale-coherence-economique-regionale](http://www.strategie.gouv.fr/publications/reforme-territoriale-coherence-economique-regionale))

<sup>130</sup> L. Davezies and M. Taillandier, *L'émergence de systèmes productivo-résidentiels* ([www.cget.gouv.fr/ressources](http://www.cget.gouv.fr/ressources))