



**Joint declaration by the Presidents of the Parliamentary Assembly and the  
Congress of Local and Regional Authorities of the Council of Europe**

***Facing the economic crisis: recovery requires reinforced co-operation  
between all levels of government***

The financial and economic crisis shaking Europe since 2008 is far from over: some local and regional authorities are struggling to pay off toxic loans, while others face bankruptcy; many continue to suffer from reductions in their budgets, made in the framework of national austerity programmes, while at the same time they face new responsibilities and additional social expenditure.

In this respect, the Parliamentary Assembly adopted Resolution 1886 (2012) on “The impact of the economic crisis on local and regional authorities”, based on a report prepared by the General Rapporteur on Local and Regional Authorities, Sir Alan Meale (United Kingdom, SOC).

The Congress also adopted its Resolution XXX (2013) and Recommendation XXX (2013) on “Local and regional authorities responding to the economic crisis”, based on a report prepared by the rapporteurs Barbara Toce (Italy, L, SOC) and Svetlana Orlova (Russian Federation, R, EPP/CCE).

Both the Parliamentary Assembly via its Committee on Social Affairs, Health and Sustainable Development, and the Congress via its Governance Committee and its Current Affairs Committee will continue to closely follow the financial situation and capacity of action of local and regional authorities, and to make national governments aware of their critical situation.

Despite comprehensive knowledge of the exposure of local and regional authorities to the current crisis, national governments have so far failed to create the conditions necessary to enable local and regional authorities to continue to fulfil their responsibilities and remain fully operational.

Against this background, we stress the importance of sound local and regional authorities for well-functioning democracies, effective service delivery, lively local and regional economies as well as social cohesion and:

1. Call upon the national and regional governments and parliaments of all Council of Europe member states:
  - to make the issue of healthy and sustainable local and regional budgets a matter of national priority and organise regular exchanges between all stakeholders concerned, including both legislative and executive bodies at all levels of government (national, regional and local);
  - to apply changes to local finance systems and public spending with the utmost transparency and consult local and regional authorities when preparing national decisions that have an impact on local budgets, as they know best how possible effects could be compensated and need to take ownership of relevant decisions in order to implement them effectively;
  - to ensure that any changes applied to local government finance systems are compatible with the provisions of the European Charter of Local Self-Government (CETS no.122) and other Council of Europe standards, such as Committee of Ministers Recommendations Rec(2004)1 on financial and budgetary management at local and regional levels and Rec(2005)1 on the financial resources of local and regional authorities;
  - to foster vertical and horizontal co-operation between all stakeholders with a view to identifying and applying innovative and cost-effective solutions to respond to the crisis, also involving private partners and civil society wherever there is an opportunity;

- to stop recentralising responsibilities on the pretext of responding to the crisis, and rather maintain decentralised competences, whilst equipping local and regional authorities with adequate budgets, given that decentralised decision-making often allows local issues to be addressed more efficiently;
  - to enable local authorities to maintain municipal services of the highest quality at affordable prices and provide social services and benefits in the most targeted manner possible;
  - to pursue their efforts to generate greater tax autonomy at local and regional levels, whilst avoiding disproportionate and inappropriate cuts in government transfers to local and regional authorities;
2. Commit ourselves to promoting reinforced co-operation and consultation between different levels of government, with a view to developing effective responses to the current crisis situation and improving the resilience of local and regional authorities;
  3. Commit ourselves to keeping the situation of local and regional authorities on our respective agendas and to continue our co-operation in this field, so as to ensure that the voice of "Greater Europe" be heard when it comes to preserving the capacity of action of local and regional authorities, which are the democratic institutions closest to the citizens and thus represent the foundations of European democracy.

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Jean-Claude Mignon  
President of the Parliamentary Assembly  
of the Council of Europe

Herwig van Staa  
President of the Congress of Local and Regional  
Authorities of the Council of Europe

