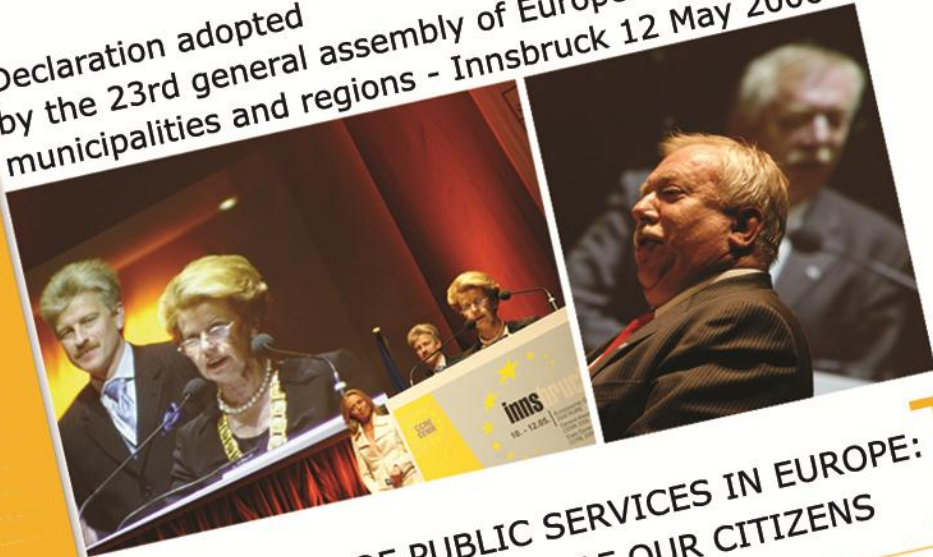




Declaration adopted
by the 23rd general assembly of European
municipalities and regions - Innsbruck 12 May 2006



**THE FUTURE OF PUBLIC SERVICES IN EUROPE:
MEETING THE NEEDS OF OUR CITIZENS**



Conseil des Communes
et Régions d'Europe
Council of European
Municipalities and Regions

We, local and regional elected representatives, mayors and political leaders of the towns and municipalities, counties, departments, provinces and regions of Europe,

Assembled in Innsbruck for the 23rd General Assembly of European Municipalities and Regions, United around our core principles of local and regional democracy and self-government and Subsidiarity;

Convinced that modern good governance in Europe requires a positive and active partnership between all levels or spheres of governance - European, national, regional and local;

Conscious that our European way of life and our model of society presumes the provision of high quality public services for all citizens, and especially the most vulnerable;

Emphasising that, across our continent, the majority of these public services are the responsibility of local and regional governments; and

Reaffirming our commitment to a Europe that, to meet the needs of its citizens and the global challenges of the 21st century, is politically and economically strong, united, true to its values and principles, endowed with effective institutions, active and respected internationally, and respectful of its diversities;

DECLARE AS FOLLOWS:

I. A politically strong Europe, with an enhanced role for its local and regional governments

1. At our last General Assembly, in Poznan in 2003, we expressed our support for the enlargement of the European Union to include the ten new member states. Two years after that enlargement, we welcome the success of this historic process, which has depended to a significant extent on the commitment and capacity of the regions and municipalities of those countries.
2. In Poznan we also expressed our expectation that the European Constitution would recognise the role of local and regional government, and help to achieve the construction of a politically strong, united Europe.
3. We have welcomed the gains and recognised rights for local and regional government included in the Constitutional Treaty, including the explicit recognition of the principle of local and regional self-government, the inclusive definition of subsidiarity to involve the regional and local levels, and the new protocol on subsidiarity and proportionality. Moreover, we supported the right for the Committee of the Regions to make application to the European Court of Justice in order to ensure the respect of these principles.
4. The "no" votes in the referenda in France and the Netherlands on ratification of the Treaty, which have led to the present period of reflection called for by the European Council, demonstrate that many citizens no longer identify as closely with the direction in which they see Europe developing, and often feel that Europe is not responding sufficiently to their day to day concerns. Moreover, this tendency is often reinforced by the way in which some national governments seek to blame the EU for matters that are really their responsibility.
5. We believe that one important way of tackling this dangerous divide is by strengthening the role of local and regional governments in European governance, in place of the excessive trends in recent years towards centralisation at European and national levels.
6. We remain convinced that the European Union has an ever more important role to play in tackling the major global issues which confront our continent. But if the European Union is to be more effective in the future, there is a need for changes in the way it operates, to enhance its democracy, efficiency and political weight on the international scene.
7. We insist that, whatever the outcome of the ratification process of the Constitution - which we support - the gains achieved for local and regional government, and for the democratic working of the Union, must be maintained and strengthened. We call on the European institutions and our national governments to ensure that this is achieved.
8. We propose in particular that, given the need to reconnect the Union with citizens, a future Constitution or equivalent Treaty should include reference to the European Charter of Local Self-Government which now effectively forms part of our common "acquis".

9. A stronger Europe must also be based on greater economic success - but economic success that includes a strong social and environmental dimension. This, for us, is the meaning of the Lisbon and Göteborg Strategies. And economic success requires our regions, cities and towns to play their part in European strategies and common policies.

10. We also emphasise that an effective, well-resourced European cohesion policy, based on Europe's regions and localities, is itself essential to the success of the Lisbon and Göteborg Strategies, as well as contributing to the modernisation of many public services.

We therefore regret that, despite some modest recent adjustments, the overall financing package for the next 7 years of Europe's cohesion policy was reduced by the European council far below the level recommended by the Commission. This is, in our view, a serious mistake, and we urge all institutions, especially the Council, to remedy this at the earliest reasonable occasion. On the other hand, we welcome the new financing instruments being developed to assist regions and cities.

We welcome the Commission's recognition of the urban contribution to growth and jobs in the regions. However, we believe that further work must be done to implement it. Therefore, we urge the Commission to remind the Member States that the urban dimension is obligatory and must be reflected in national programming documents. We also urge the Commission to safeguard the partnership principle expressed in the article 10 of the General Regulation which some Member States tend to neglect.

11. We are very conscious that the principle of equality of women and men is one of growing importance and relevance in today's and tomorrow's Europe: this contributes to the political economic and social success of our society. We are therefore delighted to launch, here in Innsbruck, the new Charter for Equality of Women and Men in Local Life, drawn up and promoted by CEMR and its partners, and adopted by the CEMR Policy Committee. We undertake to publicise this Charter, and to encourage authorities to sign and implement it.

12. We are pleased to record here the good co-operation and partnership which the Committee of the Regions and the Congress of Local and Regional Authorities of the Council of Europe have with CEMR and our national associations, in order to achieve our common goals.

13. We reaffirm the need to work closely with local and regional governments and their associations in south-east Europe, including the western Balkans following the terrible wars and suffering of the recent past, in order to contribute to the preparation of conditions for a future entry into the European Union.

14. Finally, and of the first importance, we underline the continuing relevance of twinning as a force for peace, inclusion and understanding between European citizens from different countries and backgrounds. We welcome the Commission's proposals for a new seven year programme for active European citizenship which would continue to give an important role to twinning in tomorrow's world that emphasises the affirmation of citizenship as a fundamental element of democracy. We believe that twinning partnerships also need to be encouraged and supported with our counterparts in Europe's neighbouring countries as a dynamic force that help to diminish local and regional inequalities.

II. Developing our public services for tomorrow's Europe

15. Delivering and ensuring high quality public services is at the heart of the mission of every local and regional government. And just as Europe must adapt to meet the challenges of globalisation, we likewise face the task of modernising our services to meet changing needs and circumstances.

16. These changes include, in particular, those that flow from the changing demography of Europe. In many countries, we will have an ageing population, with a higher projected ratio of "inactive" to "active" population; increased inward migration is, moreover, needed to offset these trends. The evolution of our communities requires us to analyse and adapt all of our services. In addition, developments in modern technologies offer new possibilities for delivering better or more cost-effective services, e.g. through forms of e-government. Moreover, since transport is the only means for maintaining island and isolated communities, it needs to be politically and financially supported.

17. We hold it to be self-evident that the principle of local and regional self-government gives each authority the right to choose how best, in the public interest, each service should be delivered and financed - whether in-house, by public private partnership, or by contracting out to an external operator. We oppose all attempts, whether at national or European levels, to impose specific models of service delivery. Further, we seek to ensure that quality services at affordable prices are maintained.

18. We are concerned, in this regard, that both the European Commission and, in some recent cases, the European Court of Justice, have interpreted the rules of the internal market in ways that have breached this principle of local self-government and democratic choice (e.g. restrictions on "in-house" delivery, and the undermining of long-standing and effective intercommunal arrangements). We believe that the EU should concentrate on issues that have a major impact on the internal market, not on purely local decision-making of these kinds.

19. We note that, at European level (and including within the European Parliament), a debate is opening up on whether there should be an EU framework law on Services of General Interest. We will follow this debate closely, and participate in it with an open and frank approach, informed by well drafted proposals.

20. Within this debate, we wish to ensure:

- (a) that public services of a primarily non-commercial character and social purpose are not defined as services of *economic* interest, and therefore should not be subject to EU internal market rules,
- (b) that the payment of pure compensation to those delivering public services is not legally deemed to be a state aid,
- (c) that inter-communal co-operation for service delivery should be accepted as a legitimate way of delivering services internally, without compulsory tendering,
- (d) that local governments should be able to assign service tasks to companies they own or control without compulsory tendering, provided the company does not compete on external markets.

21. We affirm that local and regional governments need to be accountable to their citizens and electors for their performance in delivering services, and transparent in their decision-making, whilst deepening the participation of our citizens through democratic means. We consider that effective performance management is essential, but also forms part of local self-government; accordingly, we do not accept top-down systems of control, but support voluntary benchmarking and quality measurement mechanisms involving the national associations of local and regional government in each country. We will explore how to extend comparisons on a transnational basis. Finally, public services should be anti-discriminatory, reflecting the diverse population in our communities.

22. However, an essential precondition to the delivery of efficient, high quality public services is the availability of sufficient resources. We note with concern that, across Europe, local and regional governments face increasingly difficult financial situations, and many are obliged to reduce services in consequence.

23. Whilst the system of financing, and the range of tasks to be delivered, varies from country to country, the European Charter of Local Self-Government lays down some principles which need to be re-emphasised and respected, including:

- (a) local governments are entitled, within national economic policy, to adequate resources of their own of which they may dispose freely;
- (b) their financial resources must be commensurate with their legal responsibilities;
- (c) part of those resources must come from local taxes for which they can determine the rate;
- (d) the financial systems on which resources are based must be "of a sufficiently diversified and buoyant nature" to keep up with the real cost of carrying out their tasks;
- (e) grants to local governments should not, as far as possible, be earmarked for the financing of specific projects.

III. From local to global- action and partnerships for dialogue and development

24. We are conscious that Europe has a vital role to play in promoting democracy, peace, human rights, development and security around the world, and that local and regional governments can and do make their contribution to this role, e.g. through international partnerships, intercultural dialogue, and city diplomacy.

25. We express our backing, in particular, for action by Europe's local and regional governments in support of the Millennium Development Goals. The MDGs represent the clearest and most universal commitment of the international community of states to tackle the deepest poverty, social exclusion and deprivation suffered by hundreds of millions of human beings.

26. The MDGs cannot be achieved without the active participation and commitment of cities and local governments across the world, as UN Secretary-general Kofi Annan so rightly recognised in his meeting with the delegation of UCLG in September 2005. We therefore welcome the role of CEMR and UCLG in promoting action in support of the MDGs by local governments. We also welcome the positive approach of the Millennium Campaign in its work with CEMR and UCLG to this end, and its contribution to the preparation of the Lisbon Conference that will take place next October.

27. We also note that the European Union's international development policy foresees an increased, though not yet sufficient, role for local governments, both in developing countries and in Europe. We welcome the proposed thematic programme on "non-state actors and local authorities", which should permit some modest financing of our international development actions. We commit ourselves to increase our engagement with the European Institutions in order to achieve recognition for the role of local and regional governments as major actors in the field of development cooperation.

28. We are very pleased to mark the successful launch and early progress of our world organisation, United Cities and Local Governments (UCLG), which represents a new step in the international capacity of local and regional government to work in the international arena.

29. Our commitment to local self-government and the strengthening of local and regional government is not limited to the European continent, but is indeed a global aspiration. We note that, at the 2005 meeting of the Governing Council of UN Habitat, the member states agreed to go out to consultation on the " *draft guidelines on decentralisation and the strengthening of local authorities*" which had been drawn up by a committee of experts, with CEMR involvement, with the aim of reaching a final decision on the guidelines at the next Governing Council meeting, in Spring 2007.

30. We therefore call on the European Union, all European countries in which CEMR has members, and the wider international community, to support these guidelines, which would be the first time in the global arena that governments approve principles for effective local government*. We further call on all of our associations of local and regional governments' to take action and lobby to achieve this long-standing goal.

* *The Policy Committee approved a more detailed Resolution on this issue, on 10 May in Innsbruck.*



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