

## THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

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### Recommendation 265 (2009)<sup>1</sup>

#### **Good governance: a key factor for the sustainable economic development of regions**

1. Globalisation, worldwide economic transformations and the complexity of their effects felt locally have led to a growing interdependence between states and regions and a more flexible organisation of traditional political boundaries.

2. In parallel, the impacts of economic growth on the planet's resources and on the ecosystem in general are major challenges which can be taken up by regions to ensure the necessary balance between economic, social, cultural and ecological spheres.

3. These have been accompanied by a decline in trust as citizens lose faith in political institutions and in their elected representatives' capacity to guarantee economic, social and environmental stability. Public authorities need to renew their governance practices in order to renew and strengthen citizens' confidence.

4. The Congress of Local and Regional Authorities of the Council of Europe believes that regions have a duty to anticipate these global economic transformations and deal with them through good regional governance. Transparency of decision-making, efficient management, citizens' empowerment and the rule of law are indispensable in order to reinforce citizens' links with their locality and support innovation and sustainable economic development.

5. Within this context, regions need to draw up a common strategy which guarantees competitiveness and social growth alongside a willingness to develop strong partnerships. It is through the involvement of public players and civil society that a shared regional vision can emerge. It is also by involving citizens in long-term policy-making that a climate of confidence can be created and decision-making processes improved.

6. Sound governance practices and a spirit of co-operation should thus enable each region to best build on its assets and find its own unique solutions in order to strengthen its attractiveness. The quality of infrastructures and human resources is a key factor in a region's economic success and dynamism.

7. Good regional governance also means having a vision which goes beyond administrative and geographic boundaries. Regional authorities should show real leadership, facilitate the creation of competitive clusters and sector-based groups and favour synergies and transfrontier co-operation. These forms of co-operation are not only important drivers of innovation and entrepreneurship but they can

also contribute towards resolving cultural and economic tensions between regions.

8. Subsidiarity involves assessing the right level for policy implementation and ensuring that this is accompanied by a real transfer of powers to the most appropriate level. Today, many policies which are determined at national level affect regional development. However, they are often elaborated without giving regions sufficient autonomy to respond locally to the global challenges.

9. Similarly, regional authorities must have adequate financial and fiscal competences to implement their responsibilities, either through direct taxation or through a constitutional guarantee of income in conformity with the European Charter of Local Self-Government (ETS No. 122).

10. With this in mind, the Congress applauds the adoption of the European Charter of Regional Democracy by the Congress in May 2008. This instrument offers Europe's regions, for the first time, a common reference framework and a set of guidelines to support states through the process of regional evolution in Europe.

11. It welcomes the Parliamentary Assembly support for the European Charter of Regional Democracy and, in particular, Recommendation 1811 (2007) of the Assembly on regionalisation in Europe, which emphasises the importance of regional self-government as an effective unifying means for greater political stability.

12. In the same context, the Congress supports the Helsinki Declaration on Regional Self-Government and the Strategy on Innovation and Good Governance at Local Level adopted by the Conference of European Ministers responsible for Local and Regional Government, which offer tools to reinforce participatory democracy at local level.

13. *In the light of the above, the Congress recommends that the Committee of Ministers of the Council of Europe:*

*a. adopt the European Charter of Regional Democracy prepared by the Congress;*

*b. take into account the Congress recommendations on good regional governance in the preparatory work and the elaboration of recommendations for the next session of the European Conference of Ministers responsible for Spatial/Regional Planning (CEMAT) in 2010;*

*c. invite the Stakeholders' Platform on the Strategy for Innovation and Good Governance at Local Level of the Council of Europe to apply this strategy at the regional level.*

14. *The Congress invites the Committee of Ministers of the Council of Europe to ask member states to:*

*a. adopt national legislation to facilitate regionalisation and the implementation of the principle of subsidiarity which:*

*i. provide regional authorities with the necessary administrative and regulatory competences to fully implement regional development strategies and the creation of appropriate infrastructures;*

ii. guarantee regions' fiscal and budgetary competences as well as their capacity to allocate them;

b. co-operate with all levels of governance to promote sustainable economic development and therefore:

i. assess the right level for economic policy implementation and avoid disjointed decision-making processes and the overlapping of administrative bodies;

ii. promote harmonisation of economic information and services provided by European, national and regional public authorities and avoid the multiplication or even the fragmentation of economic service provision.

15. *The Congress also recommends that the Committee of Ministers of the Council of Europe and the European Union*

*use the Memorandum of Understanding between those two bodies to examine ways to:*

a. support good governance practices at regional level for better territorial cohesion;

b. make better use of territorial diversity to promote a sustainable economic development of regions which builds on regional cultural identities as recommended in the Territorial Agenda of the European Union.

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1. Debated and approved by the Chamber of Regions of the Congress on 4 March 2009 and adopted by the Congress on 5 March 2009, 3rd Sitting (see Document CPR(16)3REP, explanatory memorandum, rapporteur: U. Aldegren (Sweden, R, SOC)).