



**European Committee  
of the Regions**

# Effective decentralisation in the context of the European Semester and beyond

(Report Presentation)

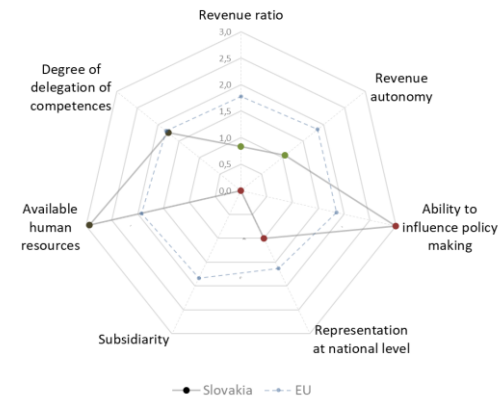
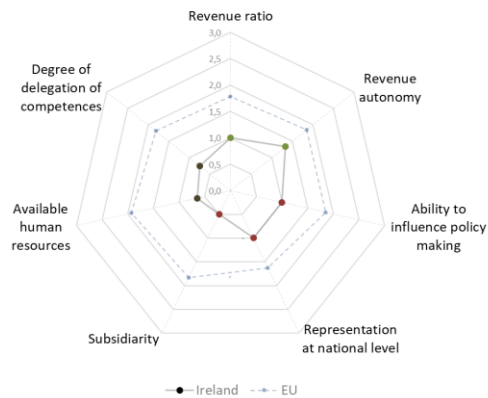
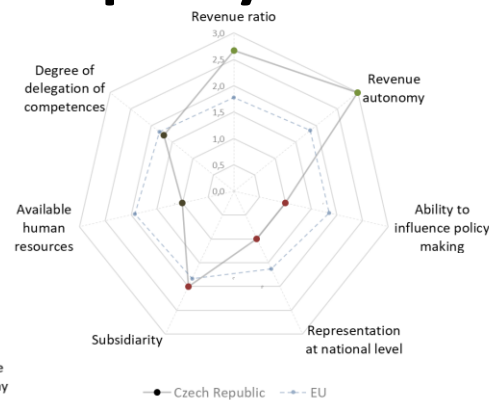
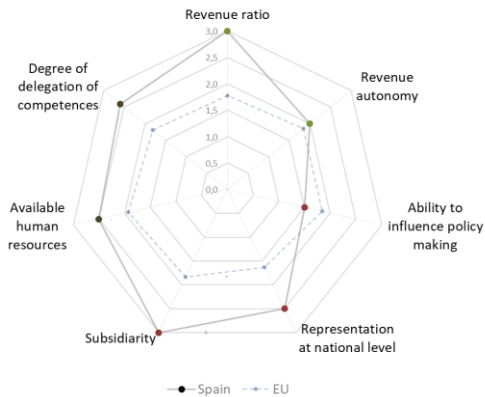
**Report written by**

**Sabine Zillmer and Erik Gløersen (Spatial Foresight GmbH) and Michele Alessandrini and Alessandro Fratini (t33 Srl) with inputs from Bozhidar Ivanov, Kirsti Hagemann and Marcela Mäder Furtado (Spatial Foresight GmbH)**

**Language review by Tim Wills**

**It does not represent the official views of the European Committee of the Regions.**

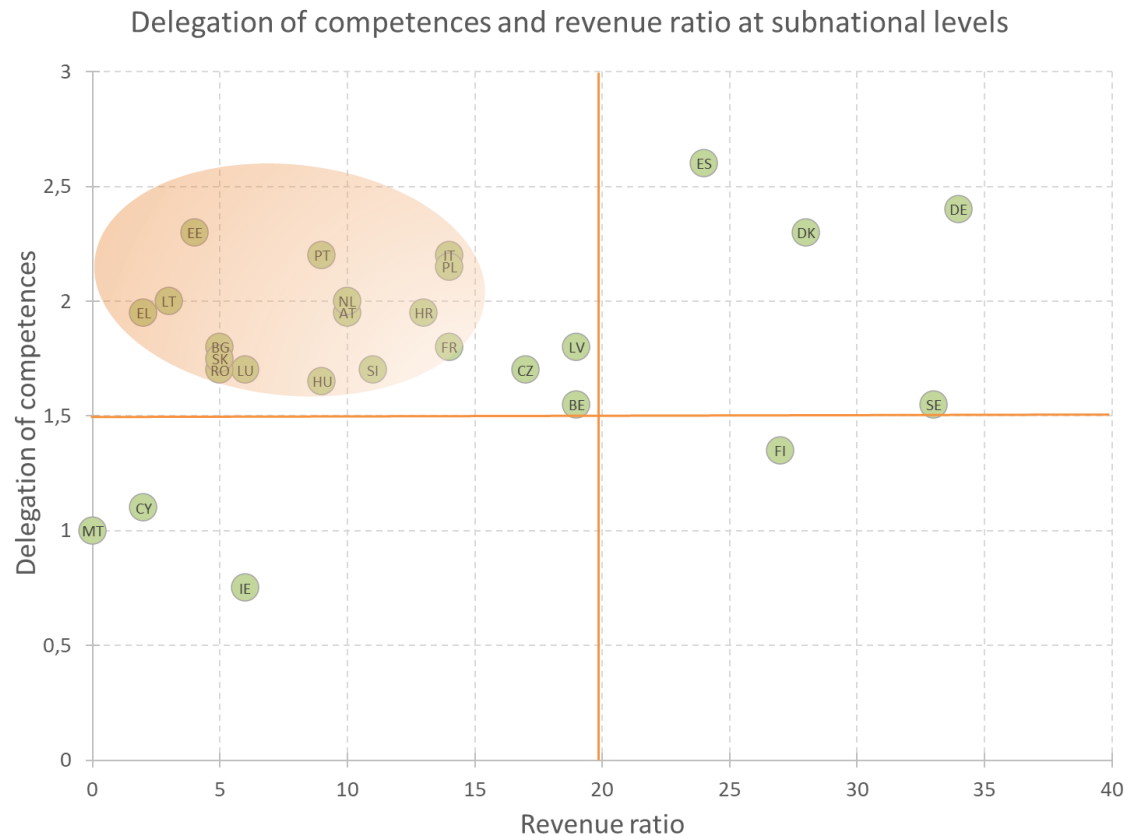
# Implementation of OECD guidelines – state of play



- Decentralisation & its effectiveness vary widely across EU Member States
- The variation of proxy indicators illustrates potential imbalances between dimensions of decentralisation ⇒ which tends to hamper the effectiveness of decentralisation
- Decentralisation trends are ambiguous – ranging from decreasing to increasing local autonomy indexes

# Evidence of ,unfunded mandates‘

- LRAs in some EU Member States tend to suffer from unfunded mandates
- Unfunded mandates can appear over time due to reforms, regional developments & territorial characteristics
- Also without unfunded mandates the fiscal autonomy may be low

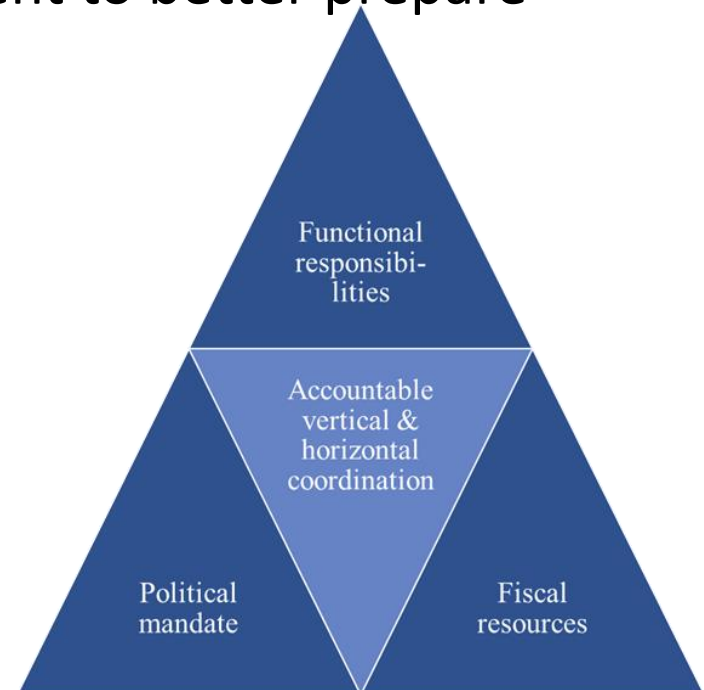


Source: elaboration based on

<https://portal.cor.europa.eu/divisionpowers/Pages/Decentralization-Index.aspx>

# Recommendations: OECD guidelines

- Ambiguities of financial dimensions require better understanding & monitoring
- Impact assessments of fiscal reforms for different types of territories across levels of government to better prepare against unfunded mandates
- Effective decentralisation is highly complex – It requires at least a triangle of consistent reform processes
- Effectiveness of decentralisation would benefit from sustainable monitoring of processes



# Decentralisation and the European Semester

- Limited evidence on dimensions of decentralisation in country specific recommendations (2022)
- Evidence in NRPs varies widely
  - Few descriptions of change of responsibilities
  - Some references to the development of vertical / horizontal cooperation
  - Rare examples include descriptions of comprehensive approaches
  - Implementation of OECD guidelines is hardly mentioned
  - Recognition of decentralisation needs without further action
- Links between country specific recommendations and effective decentralisation measures are often blurred
- Effective decentralisation measures may also be linked to recommendations of previous years

# Recommendations: European Semester

- To obtain a more strategic use of the European Semester in support of effective decentralisation requires several actions
  - Overcome the lack of consultation channels and capacity limitations, e.g. through ESIF support
  - Overcome the tight time constraints for reforms dealing with decentralisation (and its effectiveness)
- Implement a territorial monitoring in the European Semester, including also regional financial aspects
- Reduce the reporting burden of NRPs on institutional aspects at the benefit of a biennial reporting on the related governance processes
  - with reference to achievements related to the OECD guidelines
  - in the context of the European Semester, explicitly considering LRAs