

Cities and regions critical about top-down reform delivery strategy proposed by the European Commission

The members of the European Committee of the Regions (CoR) reject the European Commission's proposal to divert money from cohesion policy to finance top-down structural reforms in the Member States. The [opinion](#), drawn up by Olga Zrihen (BE/PES), Member of the Walloon Parliament and adopted during the CoR plenary session, further highlights the importance of adopting a mixed bottom-up and top-down approach involving local and regional authorities in the design and implementation of reform processes.

The European Commission proposal of a new [reform delivery tool](#) would grant budgetary support to Member States that voluntarily engage to undertake complex structural reforms. This support would be complemented by technical assistance provided through the [Structural Reform Support Programme](#) (SRSP). For the period 2017-2020, the Commission has proposed to [double the initial financial allocations for the SRSP](#) of 142,8 mln by using the flexibility margins of the EU budget and by giving Member States the chance to divert resources from European Structural and Investment Funds to the SRSP.

The European Committee of the Regions strongly opposes the idea of diverting resources from the European Structural and Investment Funds (ESIF) – the EU's main investment tool managed in partnership with regions and cities – towards a programme which is managed centrally, with a top-down approach that does not take into account the specific needs of local communities and the crucial role of local governments in delivering structural reforms.

" The current proposal lacks transparency and assessment criteria. It is also more than questionable to bind and commit substantial financial resources to an instrument providing assistance on a pure voluntary basis. We want EU support for reforms that have a European added value, respect democratic rules and make a difference on the ground ", said **Olga Zrihen** (BE/PES), member of the Walloon Parliament.

The rapporteur warns that disregarding local and regional authorities as partners of structural reforms would be a mistake naming lack of ownership a key reason for the slow progress of structural reforms in the framework of the European Semester. Adding a territorial dimension to the European Semester by taking into account territorial diversity in Europe and ensuring full participation of local and regional authorities in the National Reform Programmes would be a step in the right direction.

" Any further link between EU-relevant structural reforms and cohesion policy makes it even more important that the European Semester becomes more democratic at European level. Complementing it by a [Code of conduct](#) setting standards for the involvement of local and regional authorities would help to increase efficiency and ownership. The principles of subsidiarity,

proportionality and partnership should be the common foundation not only of cohesion policy but of all EU policies supporting structural reforms “, said Ms Zrihen.

In relation to the new budgetary instruments for the Euro area proposed by the European Commission in December 2017, the opinion supports the creation of an EU instrument to address asymmetric shocks. However, any potential support should not overlap with but rather complement existing instruments such as the European Structural Investment Funds (ESIF) and the European Fund for Strategic Investment (EFSI). The CoR further welcomes the proposal to set up a credit line or guarantee within the future European Monetary Fund, in case the Single Resolution Fund – managing the impact of failing banks on the real economy and public finances – is not sufficient.

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