

Motions

Motion number	6
Name of the person introducing the Motion to the GA	
Member party	Fryske Nasjonale Partij (FNP)
Title [of the Motion]	Financial autonomy and local democracy
<p>a) Considering that a functioning local democracy requires a local self-government with sufficient financial resources to make choices of its own, including choices that affect the successful implementation of EU policies;</p> <p>b) considering that the principle of subsidiarity is a key driver of devolution, since it leads to power being located at the level at which it can be most effectively exercised and democratically controlled;</p> <p>c) considering that delegation of competences to local authorities, without at the same time providing some sort of financial autonomy, relegates local authorities to becoming executive offices for the central government;</p> <p>d) observing that in 2021 the monitoring committee to the European Charter of Local Self-Government pointed out that the local authorities' financial resources are not commensurate with the tasks municipalities must perform since the 2015 decentralisation reform in the Netherlands and that the monitoring committee recommends to match these additional competences with commensurate financial resources¹;</p> <p>e) considering that the European Commission stated that regions that are primarily financed from their own resources manage the available funds in a responsible manner and therefore have solid public finances, and therefore encouraged the Member States to replace transfer payments with own financial resources²;</p> <p>e) observing that the Dutch national government wants to cut funding for municipalities, proposes a redistribution of funding across municipalities that significantly decreases the budget of many municipalities³ and creates uncertainty over the precise budgets that municipalities will receive in the short term;</p>	

¹ 'Monitoring of the application of the European Charter of Local Self-Government in the Netherlands', Report CG(2021)41-05prov, 21 September 2021;

² European Commission, Report on Public Finances in EMU 2012, Chapter 3;

³ *Startnota Rutte IV*, translation of the financial agreements of the Rutte IV government, 1 January 2022;

f) taking note of the urgent and united call of the Frisian and Groningen municipalities upon the Dutch national parliament to find a stable and equitable solution that allows local authorities to cooperate in achieving the necessary shared ambitions, e.g. in housing social care and in the energy transition;⁴

The European Free Alliance calls upon

1. The European Union and the Member States to respect the principle of subsidiarity⁵, which is not limited to the division of powers between the EU and the Member States;
2. The Member States to adhere to the principles and rights enshrined in the European Charter of Local Self-Government, including ensuring that local authorities have sufficient financial resources and financial autonomy that allow them to make democratic decisions of their own;
3. The Dutch Government to abandon its current plan for the redistribution of local funding and come with a new fair and transparent proposal that is in accordance with the recommendations in the 2021 report of the monitoring committee to the European Charter of Local Self-Government.

⁴ 'Debate on the Budget of the Ministry of the Interior' (*Begrotingsbehandeling BZK*), letter written to the Dutch National Parliament by the Association of Frisian and Groningen municipalities, 8 October 2021;

⁵ Article 5(3) TEU