

48th SESSION

Monitoring of the application of the European Charter of Local Self-Government in Liechtenstein

Recommendation 521 (2025)¹

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

a. Article 2, paragraph 1.b, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulating that one of the aims of the Congress is “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 1, paragraph 3, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulating that “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure the effective implementation of the principles of the European Charter of Local Self-Government.”

c. Chapter XVIII of the Rules and Procedures of the Congress on the organisation of monitoring procedures;

d. the Contemporary commentary by the Congress on the explanatory report to the European Charter of Local Self-Government adopted by the Statutory Forum on 7 December 2020;

e. the Congress priorities for 2021-2026, in particular priority 6b which concerns the quality of representative democracy and citizen participation;

f. the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda for Sustainable Development, in particular Goals 11 on sustainable cities and communities and 16 on peace, justice and strong institutions;

g. the Guidelines for civil participation in political decision making, adopted by the Committee of Ministers on 27 September 2017;

h. Recommendation CM/Rec(2018)4 of the Committee of Ministers to member States on the participation of citizens in local public life, adopted on 21 March 2018;

i. Recommendation CM/Rec(2019)3 of the Committee of Ministers to member States on supervision of local authorities’ activities, adopted on 4 April 2019;

j. Congress Recommendation 416 (2018) “Monitoring of the European Charter of Local Self-Government in Liechtenstein”;

1. Debated and approved by the Chamber of Local Authorities and adopted by the Congress on 26 March 2025 (see document CPL(2025)48-02, explanatory memorandum), co-rapporteurs: Jorge SEQUEIRA, Portugal (L, SOC/G/PD) and Gobnait NÍ MHUINEACHÁIN, Ireland (L, ILDG).

k. the explanatory memorandum on the monitoring of the European Charter of Local Self-Government in Liechtenstein.

2. The Congress points out that:

a. Liechtenstein joined the Council of Europe on 23 November 1978, signed the European Charter of Local Self-Government (ETS No. 122, "the Charter") on 15 October 1985 and ratified it on 11 May 1988. In its official declaration, Liechtenstein declared that it was not bound by Article 3 paragraph 2, Article 6 paragraph 2, Article 7 paragraph 2, Article 9 paragraphs 3, 4 and 8 and Article 10 paragraphs 2 and 3. The Charter entered into force in Liechtenstein on 1 September 1988. Liechtenstein has not ratified the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207);

b. the Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels (the "Monitoring Committee") decided to examine the situation of local democracy in Liechtenstein in the light of the Charter. It instructed Xavier Cadoret, France (L, SOC/G/PD) and Marjorie Crovetto, Monaco (L, NR) with the task of preparing and submitting to the Congress a report on the application of the Charter in Liechtenstein;

c. the monitoring visit took place from 18 to 19 June 2024. During the visit, the Congress delegation met representatives of various institutions at all levels of government. The detailed programme of the monitoring visit is appended to the explanatory memorandum;

d. the co-rapporteurs wish to thank the Permanent Representation of Liechtenstein to the Council of Europe and all those whom they met during the visit.

3. The Congress notes with satisfaction:

a. due general implementation of the rights and obligations set out in the European Charter of Local Self-Government;

b. the robust financial situation of local authorities in Liechtenstein due to the high percentage of tax revenues;

c. the introduction of a horizontal equalisation system supporting financial autonomy of local authorities;

d. the existence in practice of well-established procedures for consultation of local authorities;

e. the highly developed direct democracy practices in local matters;

f. the *de facto* compliance with non-ratified provisions of the Charter.

4. The Congress expresses its concerns with respect to the following issues:

a. the current system of *a priori* approval of municipal budgets as a legal condition for their validity, which is disproportionate to the legitimate aim of budget equilibrium;

b. overlapping of some competences, in particular as regards municipal budget approval, issuing of building permits and the approval of community planning and development that does not allow for the powers given to local authorities to be full and exclusive;

c. the lack of formal recognition in the relevant legislation of the mechanisms of consultation with local authorities on matters that directly affect them;

d. the limits of the mayor's spending power, as defined by the law, are no longer adequate in view of the size and importance of the capital city.

5. In the light of the foregoing, the Congress requests that the Committee of Ministers invite the authorities of Liechtenstein to:

- a. abolish the system of *a priori* budgetary supervision of local budgets and introduce *a posteriori* control in accordance with the requirements of the Charter;
- b. clarify the division of competences between central and local authorities in areas of concern such as urbanism, building and planning law and the school system so as to ensure compliance with the requirements of full and exclusive powers;
- c. institutionalise the mechanism of consultation through legislation to safeguard local authorities' right to be consulted on all matters that concern them directly;
- d. review the maximum amount of expenditure that may be incurred by the mayor of the capital city;
- e. consider ratifying Article 3 paragraph 2, Article 6 paragraph 2, Article 7 paragraph 2, Article 9 paragraphs 3, 4 and 8 and Article 10 paragraphs 2 and 3 of the European Charter of Local Self-Government, which are complied with in practice in Liechtenstein;
- f. consider signing and ratifying the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority.

6. The Congress calls on the Committee of Ministers and the Parliamentary Assembly of the Council of Europe to take account of this recommendation on the monitoring of the European Charter of Local Self-Government in Liechtenstein and the accompanying explanatory memorandum in their activities relating to this member State.