

## Speech by Jani KOKKO, Finland (R, SOC/G/PD)

*Check against delivery - Seul le prononcé fait foi*

### Debate on: **Monitoring of the European Charter of Local Self-Government: Germany**

Dear colleagues,

First, I would like to join my co-rapporteur to greet the representative at the Federal Ministry of the Interior and Community of Germany (name tbc) who participate in our discussion today.

Indeed, as my co-rapporteur has already underscored our report is very positive. It points only to few areas where Germany needs to apply further efforts to achieve full compliance with the Charter.

I would say that there are four important points that need to be addressed as a priority:

- local funding
- consultation
- the position of counties
- and joining the Additional protocol

Firstly, we have noted some difficulties in the implementation of the commensurability principle in local funding. While this principle is set out in the *Länder* constitutions, the standards and criteria to apply it in practice still need to be adopted. We suggest working on this in consultation with municipal stakeholders to give more transparency to financial planning.

I am moving to my second point - consultation. While consultation at the *Länder* level is satisfactory, in our opinion, consultation of associations of local authorities at the federal level should be strengthened to fully satisfy the requirements of the Charter. This is needed because some federal decisions, for instance, concerning social welfare or environmental protection can have a significant impact on the financial situation of counties and/or municipalities. So, we suggest increasing the regularity of consultation at the federal level.

My third point relates to the position of counties, which remains rather weak in comparison with municipalities.

German counties have a dual nature. On the one hand, a county is an association of municipalities, and is often referred to as 'municipalities belonging to a county'. On the other hand, counties—like the municipalities—are considered genuine local authorities with the constitutional right to self-government.

However, to be able to fully enjoy this right, counties lack taxation powers. By the way, this is the main reason why Germany excluded counties from application of article 9 para. 3 when it ratified the Charter. Counties 'own' revenues are only county levies, composed of mandatory fiscal transfers from municipal

budgets. This is not sufficient to ensure true financial autonomy. We suggest diversifying counties' system of revenue through enhancing counties' fiscal powers. This would also allow Germany to lift the reservation on Article 9 para. 3.

We have also positively noted that some Länder have already introduced a general competence clause for the counties. We consider this as a very good means to strengthen counties' power to exercise local initiative. We suggest introducing this general competence clause in all Länder and, possibly, at the federal constitution level.

My last point concerns the Additional Protocol to the Charter on the right to participate in the affairs of a local authority that Germany has not signed yet. In fact, two Länder did not support this move and expressed concerns about an obligation to enact freedom of information legislation that the signature would entail. We therefore call on German authorities at all levels to adopt all appropriate measures to sign and ratify the Protocol as an important tool to foster democratic participation.

By the way, this June we will celebrate the 10th anniversary of the entry into force of the Additional Protocol to the Charter, and I think that launching a ratification process would be symbolic on this occasion. This will only strengthen the already high level of local self-government in Germany.

To conclude, we welcome the high level of local self-government in Germany and remain confident that German authorities will address our recommendations to sustain and enhance it further.

I hope you will adopt the present draft recommendation.

We are ready to take your questions if you have any.

Thank you for your attention.