

34th SESSION

Local and regional democracy in Latvia

Recommendation 412 (2018)¹

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

a. Article 2, paragraph 1.b, of the Statutory Resolution CM/Res(2015)9 relating to the Congress, stipulating that one of the aims of the Congress is to “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2, paragraph 3, of the Statutory Resolution CM/Res(2015)9 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, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

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

d. the appended explanatory memorandum on local and regional democracy in Latvia.

2. The Congress points out that:

a. Latvia joined the Council of Europe on 10 February 1995. It signed and ratified the European Charter of Local Self-Government (ETS 122, hereafter “the Charter”) on 5 December 1996. The Charter came into force in Latvia on 1 April 1997;

b. In accordance with Article 12, paragraph 1, of the Charter, Latvia declared that it was not bound by Article 9, paragraph 8, of the Charter;

c. The Monitoring Committee decided to examine the situation of local and regional democracy in Latvia in the light of the Charter. It instructed Marc Cools (Belgium, ILDG) and Xavier Cadoret (France, SOC), with the task of preparing and submitting to the Congress a report on local and regional democracy on Latvia. The delegation was assisted by Prof. Angel Moreno Molina, Chair of the Group of Independent Experts on the European Charter of Local Self-Government, and the Congress Secretariat;

d. The monitoring visit took place from 12 to 14 September 2017. During the visit, the Congress delegation met the representatives of various institutions. The detailed programme of the visit is set out in the appendix to this document;

e. The co-rapporteurs wish to thank the Permanent Representation of Latvia to the Council of Europe and all those whom it met on the visit for their readiness to assist the delegation and for the information they so willingly supplied.

3. The Congress notes with satisfaction that:

a. The present situation of local self-government deserves an overall positive assessment;

² Debated and adopted by the Congress on 27 March 2018, 1st sitting (see Document [CG34\(2018\)11](#), explanatory memorandum), co-rapporteurs: Xavier CADORET, France (L, SOC) and Marc COOLS, Belgium (L, ILDG).

b. State intervention in local affairs is strictly limited and regulated by the law, therefore fulfilling the requirements of the Charter;

c. Local authorities enjoy an extensive autonomy and a notable realm of competences;

d. There is an honest, fruitful and vigorous dialogue and negotiation pattern between the central government and the local authorities;

e. The case-law of the Constitutional Court includes frequent references to the Charter, thus ensuring its applicability;

f. The inter-municipal co-operation is good in general terms.

4. The Congress notes that the following points call for particular attention:

a. the landscape of local finances is unstable, the revenues lack predictability in the long range, and the fiscal autonomy of local authorities is weak. In this sense, there is not a real system of "local taxes" in the technical sense of the term;

b. the system of equalisation could be improved, since the contribution of the State to the equalisation Fund is too low. And the specific situation of small, rural municipalities, is not adequately taken into consideration in the current system of local finances;

c. even if the system of consultation is good in general terms, in too many cases the deadline for receiving the local authorities' comments and suggestions on proposed measures is too short, thus limiting the capacity of local authorities to make meaningful and reasoned comment;

d. in the field of "autonomous" functions, there is a pattern of "over-regulation", which reduces *de facto* the discretion and autonomy of local authorities in discharging their competences. To this end, the system of local competences should also be clarified;

e. the category of the population called "non-citizens" which is still part of Latvian society and is not allowed to vote for local elections.

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

a. ensure that the forthcoming tax reforms guarantee local authorities a level of resources at least equivalent to the one they have today, excluding the transfer of new competences, enhance the fiscal autonomy of local authorities and permit local authorities to better predict and plan their financial resources;

b. increase the contribution of the State to the equalisation fund and better take into account the specificities of small rural municipalities in the general system of local finances;

c. grant longer time-spans and deadlines for consultation mechanisms of local authorities in order to make them more effective and give local authorities the capacity to better react to all matters dealt with by the government and which concern them;

d. clarify the system of competences in order to avoid overlapping and ensure that local authorities have full discretion to manage their own competences, with concomitant finances;

e. grant voting rights to local elections for non-citizens to guarantee a better exercise of political rights by this part of the population;

f. sign and ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority, of 16 November 2009 (CETS No. 207).