

# THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

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## Recommendation 447 (2020)<sup>1</sup> Fact-finding report on territorial reform in Latvia

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 of the Council of Europe appended to Statutory Resolution CM/Res(2020)1, which provides 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 of the Council of Europe appended to Statutory Resolution CM/Res(2020)1, which provides that “[t]he 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” [ETS No.122, hereafter “the Charter”];

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

*d.* Recommendation Rec(2004)12 of the Committee of Ministers to member States on the processes of reform of boundaries and/or structure of local and regional authorities, adopted by the Committee of Ministers on 20 October 2004;

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

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

*g.* 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;

*h.* Congress Recommendation 412 (2018) on local and regional democracy in Latvia;

*i.* the explanatory memorandum on the fact-finding visit to Latvia.

2. The Congress notes that:

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1. . Debated and adopted by the Statutory Forum on 7 December 2020 (see Document [CG-FORUM\(2020\)02-02](#), explanatory memorandum), co-rapporteurs: Xavier CADORET (France, L, SOC/G/PD) and Marc COOLS (Belgium, L, ILDG).

*a.* Latvia joined the Council of Europe on 10 February 1995. It signed and ratified the Charter on 5 December 1996 and the Charter came into force for Latvia on 1 April 1997; 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;

*b.* on 10 October 2019, the Chair of the Latvian Association of Local and Regional Governments (Latvijas Pašvaldību savienība), Gints KAMINSKIS, wrote to the Congress complaining of numerous alleged violations of the Charter in connection with the preparation and implementation of the country’s administrative territorial reform, in particular a problem regarding consultation. In the letter, the association also complained of a significant decline in the budgetary autonomy of local authorities and a risk of changes to legislation that had been declared by the Congress to be in conformity with the Charter. Further to a decision by the Bureau of the Congress to conduct a fact-finding visit to Latvia to clarify the association’s allegations, the Committee on the Honouring of Obligations and Commitments by member States of the European Charter of Local Self-Government (hereafter “Monitoring Committee”) entrusted the co-rapporteurs, Xavier CADORET (France, L, SOC/G/DP) and Marc COOLS (Belgium, L, ILDG), with the task of conducting the visit to Latvia;

*c.* during the fact-finding visit, which took place on 4 December 2019, the Congress delegation met representatives of various institutions at all levels of government. The programme of the visit is appended to the explanatory memorandum (Document [CG-FORUM\(2020\)02-02](#));

*d.* the delegation wishes to thank the Permanent Delegation of Latvia to the Council of Europe and all the people it met during the visit, with whom it had open and constructive exchanges.

3. The Congress notes that the Latvian authorities are planning a wide-ranging administrative territorial reform, which involves a massive reduction in the number of local authorities and is to be passed by law, the bill for which was being debated in the Saeima at the time of the visit.

4. The Congress expresses its concern on the following points in particular:

*a.* the deterioration in the overall situation of local democracy in Latvia since the last monitoring report by the Congress adopted in 2018

*b.* the lack of proper consultation, in due time and in an appropriate way, within the meaning of Articles 4.6 and 5 of the Charter, of the local authorities concerned, the national association and the residents of the municipalities affected during the planning and implementation of the territorial reform;

*c.* the reduction in the financial autonomy of local authorities as a result of certain financial and fiscal decisions by central government concerning the national budget for 2020, of which local government budgets form part. Municipalities’ “own” resources remain inadequate and their funding depends too much on government budgetary priorities, which runs counter to Articles 3.1 and 9 of the Charter;

*d.* the repeated instances of interference by central government in the institutional life of the city of Riga, such as the suspension of the chair of the city council and the intended dissolution of the city council on the ground of its alleged failure to cope with the waste management crisis, which undermine the local self-government of the capital with regard to Articles 7.1 and 8.3 of the Charter.

5. In the light of the above, the Congress recommends that the Latvian authorities:

*a.* defer the adoption of the bill on the local government reform until fair and effective consultation has been conducted in due time and in an appropriate way, in accordance with Articles 4.6 and 5 of the Charter, to enable local authorities and the association to express their views and make proposals on the content and timetable of the reform;

*b.* adopt legislative and regulatory measures to increase the budgetary autonomy of local authorities and give them greater responsibility in terms of financial management;

*c.* ensure that the transfer of responsibilities to the local level is accompanied by corresponding financial resources and that the adoption of any measures having an impact on local authorities' financial capacity does not affect their ability freely to perform their functions;

*d.* review the legal framework governing the suspension of the chair of a municipal or city council and the dissolution of such councils so as to reduce the discretionary power of the minister (as is currently the case in Riga – see the explanatory memorandum) to initiate these procedures by setting out more clearly in law the cases and circumstances in which they may be employed.

6. The Congress invites the Committee of Ministers to transmit this recommendation to the Latvian authorities and to take it into account, along with the explanatory memorandum (Document [CG-FORUM\(2020\)02-02](#)), in its activities relating to this member State.