

# Statement of the Forum of Local Authorities

Approved  
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The Forum of Local Authorities strongly objects to the policy which undermines the democratic, European and constitutional way of life in Estonia as well as reduces society's ability to cope with the economic crisis, considerably impairs the possibilities of reviving our economy and reduces the international competitiveness of the whole of Estonia.

## **1. As participants of the Forum of Local Authorities we demand the following:**

- 1.1 restoration of the equalisation fund of 1.431 billion kroons initially provided for in subsection 4 (1) of the 2009 State Budget Act (currently short of 330 million kroons);
- 1.2 restoration of the rate of personal income tax allocated to local authorities to no less than 11.93% (currently short of no less than 300 million kroons);
- 1.3 amendment of the Taxation Act, introducing separate advance payment accounts for collection of state and local authority revenues so the actual accrual of the revenues belonging to local authorities is guaranteed to them;
- 1.4 state support to cover the self-financing required for projects to be funded by the EU;
- 1.5 abandonment of the additional borrowing limit established to the local government sector by amendment of the Rural Municipality and City Budgets Act;
- 1.6 restoration of payment of disabled people's caregiver's allowance from the state budget;
- 1.7 restoration of funds allocated for maintenance of local roads to the level of 378 million kroons initially provided for in the state budget.

We propose that the difference between the minimum wages of teachers be compensated to all local authorities as of 1 January to 1 April 2009, taking into account an 8-percent rise in wages during this period.

## **2. The Forum of Local Authorities supports the intention of the City of Tallinn to file an action with the Supreme Court against the Government of the Republic who brutally and deliberately acts in conflict with the Constitution and the European Charter of Local Self-Government.**

The Government violates the financial autonomy and the principles of stability, proportionality, legal certainty and solidarity of financing local authorities as laid down in the Constitution and in the Charter. The Forum calls upon other local authorities to file similar actions. Together we can protect the interests of all local authorities in court more effectively and economically.

## **3. The Forum of Local Authorities finds that Estonian local authorities and our associations, having been subjected to the most unfair**

**treatment by the Government of the state, must more fiercely express and protect their positions through European institutions.**

To that end the Forum of Local Authorities, under the leadership of Tallinn, will form a foreign delegation of local authority players in the Congress of Local and Regional Authorities of the Council of Europe (CLRAE), the Committee of the Regions (CoR) and the Council of European Municipalities and Regions (CEMR) for improving representation of the local authorities that have joined the associations of Estonian local authorities as well as local authorities that are not members of these associations.

**3.1** The Forum of Local Authorities will ask the President of the Congress of Local and Regional Authorities of the Council of Europe to carry out special monitoring of the implementation of the European Charter of Local Self-Government.

Infringement of the Charter of Local Self-Government is obvious with regard to no less than five articles of the Charter in connection with the implemented budget cuts, additionally planned budget cuts, and the planned administrative reform. We keep in mind the articles concerning the scope of local self-government (Article 4(6)), protection of local authority boundaries (Article 5), appropriate administrative structures and resources for the tasks of local authorities (Article 6(1)), administrative supervision of local authorities' activities (Articles 8(2) and 8(3)), and financial resources of local authorities (Articles 9(1), 9(2), and 9(6) to 9(8)).

**3.2** The Forum of Local Authorities finds that the representatives of Estonian local authorities in the Committee of the Regions of the European Union should draw attention to the hostile policy of the Estonian state towards local authorities already at the Plenary Assembly of the Committee of the Regions to be held on April 20.

We consider it necessary to initiate on our own motion reports in the Committee of the Regions concerning budget cuts threatening the existence of local authorities and the impact of the administrative reform on the competitiveness of the state and on implementation of the Lisbon Strategy.

We find that issue of the unfairly heavy burden placed on Estonian local authorities should be brought up in the Summit of Social Partners to be organised by the Committee of the Regions in Prague in May.

**3.3** The Forum of Local Authorities demands that the Association of Cities and the Association of Municipalities, which represent Estonian local authorities, bring up the issue of cuts that struck the Estonian local government sector in the Council of European Municipalities and Regions (CEMR), especially at its general assembly to be held in Malmö April 22-24.

**4. The Forum of Local Authorities demands that the administrative reform planned by the Government of the Republic respect the right of each local authority to make internal reorganisations which are considered to be in the interests of local residents.** The Forum of Local Authorities supports continuance of the administrative reform based on voluntarism and respect for the interests of local residents.

**5. The Forum of Local Authorities encourages national and county-level associations of local authorities in Estonia as well as local authorities who are not members of any association to jointly protect the interests of local self-government as the level of power that is the closest to people.** To that end the Forum of Local Authorities will reconvene on May 21 in Tallinn.