

OFFICIAL REPORT OF DEBATES

25th Session (29-31 October 2013)

The Congress
of Local and Regional Authorities

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FIRST SITTING OF THE CONGRESS

Tuesday 29 October 2013 at 11.00

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1. OPENING OF THE 25TH SITTING OF THE CONGRESS BY THE PRESIDENT OF THE CONGRESS

The sitting opened at 11.07 with Herwig van Staa (Austria, R, EPP/CCE) in the chair.

The PRESIDENT declared open the 25th Session of the Congress of Local and Regional Authorities of the Council of Europe, in accordance with Rule 17.1 of the Congress Rules of Procedure. He welcomed the members of the Congress and the honorary members, Mr Hofmann and Mr Saltykov, who had been members of the Bureau of the Congress for many years.

The Assembly stood for the European anthem.

The PRESIDENT had the sad task of announcing the death of a member of the Congress of Local and Regional Authorities since the previous session. Mr Uno Aldegren, a member of the Swedish delegation, had died on 16 September 2013.

The Assembly observed a minute's silence.

The PRESIDENT said that the theme chosen for the 2013 sessions was: "Europe in crisis – challenges to local and regional democracy". During the March session, initial discussions had been held about solutions for tackling the economic crisis and the crisis of confidence in the democratic process and politicians. The October session would again focus on local and regional authorities' responses to the challenges to social cohesion posed by the crisis. Various other issues would also be addressed, including the fight against extremism, migrant entrepreneurship in European municipalities, migrants' access to the labour market, regionalisation and devolution in a context of economic crisis, regions and territories with special status in Europe and prospects for effective transfrontier co-operation.

The Congress would also be celebrating the ratification of the European Charter of Local Self-Government by all Council of Europe member states. Following ratification by San Marino, the Charter now applied to the 47 Council of Europe member states. This really was a historic development.

During the session, monitoring reports concerning Ireland, Hungary, Ukraine, Albania and Denmark would be discussed, along with a report on the election of the members of the Assembly of the City of Yerevan and another on the local elections in "the former Yugoslav Republic of Macedonia".

There would be a ceremony for the award of the fourth Dosta! Prize to three local authorities whose innovative measures ensured diversity within their communities with the active participation of Roma.

Prominent speakers would include Armen Gevorgyan, Deputy Prime Minister and Minister of Territorial Administration of Armenia, which currently was chairing the Committee of Ministers. Other speakers were Liviu Nicolae Dragnea, Deputy Prime Minister and Minister of Administration and Regional Development of Romania, Jose Herrera, Parliamentary Secretary for Culture and Local Government of Malta, Giancarlo Venturini, Minister for Home Affairs, the Civil Service, Justice and Relations with Municipal Councils of San Marino, Yiorgos Kaminis, Mayor of Athens, Thorbjørn Jagland, Secretary General of the Council of Europe, and Jean-Claude Mignon, President of the Parliamentary Assembly of the Council of Europe.

There would also be a very wide-ranging programme of side events with several exhibitions and receptions hosted by Armenia, Monaco, Romania, the Russian Federation, San Marino and Ukraine.

The Congress Secretariat had had the pleasure of welcoming many members to a seminar held to make members of the national delegations more familiar with the way the Congress operated.

A set of documents had been produced by the Pact of Towns and Regions to Stop Sexual Violence against Children. These documents would be circulated as widely as possible so as to raise the profile of the Pact and encourage local authorities to implement it.

In addition, the Congress now had a smartphone application that could be used to follow the sessions, access all documents and contact Congress members.

Members' attention was also drawn to the rules on the electronic voting system and the reimbursement of expenses.

2. VERIFICATION OF NEW MEMBERS' CREDENTIALS

[CG(25)2] (RES)

The PRESIDENT said that, at its meeting on Monday 28 October 2013, the Bureau had examined the credentials of new members. After a debate, a vote would be held on the draft resolution prepared by the Bureau. He gave the rapporteurs the floor.

Ludmila SFIRLOAGA (Romania, R, SOC), rapporteur, said that before the session could begin, the Congress had to adopt the draft resolution on verification of new members' credentials. In accordance with Rule 3.3 of the Rules of Procedure, national delegation members were appointed until the next session at which the Congress was renewed, unless they lost their electoral mandate or died. The entire delegation of "the former Yugoslav Republic of Macedonia" had been renewed following local elections. The composition of the Serbian delegation had been submitted too late for approval and could not be considered until the Bureau's next meeting in November. National delegation secretaries were reminded of the need to notify the Bureau of the names of individuals who had lost their mandates following local or regional elections. Lastly, Congress members had to sign the declaration of intent.

Anders KNAPE (Sweden, L, EPP/CCE), rapporteur, did not wish to add any further points.

The PRESIDENT noted that no members wished to speak.

The PRESIDENT thanked the rapporteurs for their work. As no amendments to the draft resolution had been tabled, he proposed that members vote on the text. A simple majority was required for its adoption.

The draft resolution on new members' credentials was adopted.

3. ADOPTION OF THE DRAFT AGENDA OF THE SESSION

[CG(25)OJ1PROV]

The PRESIDENT said that the next item was the adoption of the draft agenda for the Congress and the Chambers. In the case of the Chambers, which were responsible for their own agendas, only the times and not the content of the meetings needed to be decided. He asked whether members had any objections to the proposals set out in notice No. 1.

There were no objections.

The draft agenda was adopted.

4. APPROVAL OF THE DRAFT MINUTES OF THE LAST SITTING OF THE 24TH SESSION (21 MARCH 2013)

[CG(24)PV3]

The PRESIDENT said that the next item was the approval of the draft minutes of the last sitting of the 24th Session. The document was available at distribution. He asked whether there were any objections.

There were none.

The minutes of the sitting of the 24th Session on 21 March 2013 were approved.

5. ADOPTION OF THE COMPOSITION OF THE CONGRESS COMMITTEES

[CG(25)3]

The PRESIDENT asked Congress members to vote on the composition of the committees, as set out in Document [CG(25)3].

There were no objections.

The proposed composition of the committees was approved.

6. COMMUNICATION BY THE PRESIDENT OF THE CONGRESS

The PRESIDENT said that the session was taking place halfway through his current term, as the Congress had been renewed a year earlier. It was therefore a year since Congress members had placed their trust in the President, the Chamber Presidents, the Bureau members and the committee chairs to lead its work.

The 25th Session was also a landmark in the life of the Congress, as it coincided with the 25th anniversary of the entry into force of the European Charter of Local Self-Government. In 2014, the Congress would be celebrating its own 20th anniversary.

The past year had been one of progress for the Congress. It had turned to a more targeted approach, in both political and practical terms, leading to concrete action on the ground. The Congress was becoming less theoretical and more professional in dealing with the challenges identified during its monitoring, election observation and thematic activities.

The European Charter of Local Self-Government, which had entered into force 25 years earlier, had been ratified by San Marino the previous week, following the ratification by Monaco in January. All 47 Council of Europe member states were now parties to this key convention for local democracy. During the session, a special ceremony would be held to celebrate the event. Moreover, the countries which had already ratified the Charter were continuing gradually to review their commitments and accept provisions in respect of which they had entered reservations at the time of ratification. The goal of all the Charter provisions being applied throughout the entire area covered by the Council of Europe was therefore moving closer. A common legal area of uniform standards for local democracy in Europe was being established.

On this legal basis, Congress activities had been rearranged in three pillars. Firstly, the Congress was continuing its efforts to improve the effectiveness of its monitoring and election observation activities. It had also developed post-monitoring and post-election observation dialogue with national governments to help them implement the Congress' various recommendations. Lastly, the Congress was developing co-operation activities based on the results of this dialogue, focusing on the priorities that had been set and taking account of the mandate given by Council of Europe member states. These activities were being carried out in a spirit of synergy with the intergovernmental sector of the Council of Europe.

To become more efficient, the Congress had to focus on creating a "virtuous cycle" of co-operation activities. In March, the Congress had adopted a resolution on developing post-monitoring dialogue with member states in order to improve the application of the European Charter of Local Self-Government. At present, this dialogue was being pursued with the authorities of Bosnia and Herzegovina, Georgia and Portugal with a view to drawing up roadmaps for the implementation of Congress recommendations. Again in March, a meeting held in Baku had focused on the recommendations made to Azerbaijan in co-operation with the country's authorities. This exercise could be repeated to make the Congress' recommendations more effective.

The Congress had also continued its co-operation activities to promote the role of local elected representatives. In recent years, the Congress had made specific contributions to certain countries under Council of Europe action plans. The focus here had been on Ukraine, Armenia, Georgia, Azerbaijan and Moldova. The Congress had also launched its own co-operation programmes in Albania, Armenia and Ukraine. He was grateful to Denmark and Switzerland for their voluntary contributions to these programmes.

As for thematic activities, the efforts made to improve the situation of Roma had led to the launch of the European Alliance of Cities and Regions for Roma Inclusion in March 2013. 120 municipalities and regional entities were involved. The Alliance was seeking close practical co-operation with the European Union. To this end, an agreement had been signed in September by the Deputy Secretary General of the Council of Europe and the European Commission concerning a joint project, ROMACT, to support the Alliance's work. This programme involved significant support for the activities to help Roma in Europe.

The Congress was also playing an active part in the Council of Europe's One in Five Campaign, which was an excellent example of co-operation between the Committee of Ministers, the Parliamentary Assembly and the Congress. Over the past year, the Pact of Towns and Regions to Stop Sexual Violence against Children had been launched, along with an online platform for showcasing good local and regional practices. He urged members to sign up to the Pact and join the Alliance for Roma Inclusion. The two activities illustrated the Congress' efforts to make sure that human rights were respected at local and regional level.

At the same time, the Congress was continuing to align its priorities with those of the rest of the Council of Europe, thereby adding a local and regional dimension to the Council's work. The Congress had broadened and deepened its dialogue both within the Council of Europe and with outside institutions and the member states. The President had had two exchanges of views with the Committee of Ministers over the past 12 months and the Congress had made an active contribution to the activities of the successive Committee of Ministers chairmanships. Co-operation with the Parliamentary Assembly was also increasing, as reflected, in particular, in the joint declaration by the Presidents of the two assemblies due to be adopted during the session. Outside the Council of Europe, dialogue was being pursued through meetings with political leaders, senior officials and parliamentary speakers in the member states.

However, all these activities were taking place against the background of a worsening budgetary situation. Along with other Council of Europe bodies, the Congress had been called on to make sacrifices because of the economic difficulties facing member states. The budget of the Congress had been tangibly reduced since 2010. Indeed, in proportional terms, the Congress had made a bigger contribution to the overall efforts than other entities. The impact of these budget cuts was beginning to be felt seriously. For instance, monitoring exercises had had to be reduced by 27% this year and election observation exercises were limited to three a year, meaning that the Congress had had to decline some invitations. Any additional cuts would endanger the work of the Congress and undermine its unique ability to advance local and regional democracy in Europe. The Congress Bureau had made this position clear in a position paper presented to the Committee of Ministers and the rapporteur group responsible for the budget. Andreas Kiefer, Secretary General of the Congress, had presented the document to the Ministers' Deputies. A further reduction in the Congress' budget for the coming years was nevertheless currently under discussion. The President remained in ongoing dialogue with the Committee of Ministers and the Secretary General of the Council of Europe so as to drive home the need for the Congress to have adequate resources to perform its task, as well as a competent secretariat working under the political authority of the Congress leadership.

In conclusion, never before had there been such wide recognition of the importance of local and regional democracy. This gave the Congress a historic opportunity to engage in practical action with national governments. Over the past 12 months, the Congress had seized this opportunity. It had been a highly productive and successful year, with many practical results. The Congress was increasingly becoming an institution that commanded interest and respect as a co-operation partner. All members should make a united effort so that the Congress continued to progress in this way.

Vittorio BROCCOLI (San Marino, L, NR) said that the 47 Council of Europe member states had now ratified the European Charter of Local Self-Government. San Marino had been preparing the ratification for two years. During that period, much work had been done by the San Marino authorities, the Permanent Delegation to the Council of Europe, the working party and the Congress Secretariat, thereby enabling the text to be signed in May and ratified the previous week. The ratification paved the way for San Marino to move ahead with the reform of its local government legislation, as approved a month earlier by parliament.

San Marino was a small country where local authorities had fewer powers than in other states. They did, however, have an important role and interacted with citizens and took the necessary action to ensure social welfare. The reform recognised local authorities' key role, in particular in the area of town planning and welfare, where responsibilities were shared with central government. The legislation also provided for greater accountability in terms of financial management.

He thanked all those who had contributed to the ratification of the Charter, in particular his colleagues on the San Marino delegation, the Permanent Delegation of San Marino and the ambassador in Paris, as well as the local authority leader.

The PRESIDENT thanked the Republic of San Marino for ratifying the Charter.

7. ARMENIAN CHAIRMANSHIP OF THE COMMITTEE OF MINISTERS OF THE COUNCIL OF EUROPE (MAY - NOVEMBER 2013)

[CG(25)15]

STATEMENT BY ARMEN GEVORGYAN, DEPUTY PRIME MINISTER AND MINISTER FOR TERRITORIAL ADMINISTRATION OF ARMENIA, REPRESENTING THE COMMITTEE OF MINISTERS

The PRESIDENT welcomed Armen Gevorgyan, Deputy Prime Minister and Minister for Territorial Administration of Armenia, on behalf of the Congress. Like other members of the Armenian government, he had met Congress members several times at Bureau meetings and various conferences. During these exchanges, the President had been impressed by Armen Gevorgyan's personal commitment to promoting local and regional democracy and good governance practices in his country. The Congress set great store by its dialogue with Armenia. It had also launched a project to boost the leadership capacity of the country's local elected representatives. Through the monitoring visit to be carried out, the Congress wished to contribute to the reform process undertaken by the Armenian authorities and the preservation of the achievements of the European Charter of Local Self-Government. He was very pleased with the contacts which he had had with Armen Gevorgyan in this respect.

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, greeted the participants. He expressed his country's appreciation for the close co-operation that had developed with the Congress and the support it had received from the Congress in its efforts to reinforce local democracy.

The theme chosen for this session, "Europe in Crisis – challenges to local and regional democracy," could not be more relevant. All member states were facing difficulties. When a state faced serious economic and/or social challenges, local authorities were frequently called upon to take measures to ensure the well-being of citizens and respect for their fundamental rights. Given these significant challenges, local elected representatives could feel discouraged. But it was during times of crisis that good governance was more necessary than ever.

The Armenian Chairmanship of the Committee of Ministers had set four objectives:

- combating racism and xenophobia in Europe and promoting European values through intercultural dialogue;
- strengthening European standards on human rights and ensuring the rule of law;
- fostering democratic societies;
- reinforcing the role of the Council of Europe in the European architecture.

Racism, xenophobia and intolerance violated human dignity. The current difficult economic climate fuelled these attitudes as well as social tensions. These serious issues need to be addressed with determination. The causes had to be understood so that they could be properly tackled. Education and awareness-raising were important tools in this respect. A high-level conference on the issues had been held in Yerevan on 21 and 22 October. On 2 and 3 September, Armenia had also hosted the 2013 Exchange on the Religious Dimension of Intercultural Dialogue. Building bridges between cultures and religions was a vital goal for Armenia and fell within the core mission of the Council of Europe. Armenia was actively supporting the No Hate Speech Movement launched by the

Council of Europe, including the Young People Combating Hate Speech Online project. He urged Congress members to become involved in this very relevant activity.

Within the priority aimed at strengthening the rule of law, a pan-European Conference on “The European legal standards of the rule of law and the scope of discretion of powers in the member states of the Council of Europe” had been held in Yerevan from 3 to 5 July. It had been attended by representatives of the European Court of Human Rights, the Venice Commission, the Council of Europe, Constitutional Courts of member states and other institutions. It had ended with the adoption of a final resolution, which would become a guiding tool for the relevant institutions in European countries.

Another priority for Armenia had been to further develop local democracy, which was an integral part of the Council of Europe agenda. In this connection, the Armenian Chairmanship had enjoyed close relations with the Congress. It had hosted a Bureau meeting in Yerevan and two conferences, the first, in June, on Participatory Democracy at Local Level and the second, in October, on Making the Metropolis Citizen-friendly: a Challenge for Public Authorities.

The first event had provided an opportunity to reflect on how local authorities could be brought closer to citizens and how greater public participation in decision-making on regional and local issues could be achieved. The conference had produced recommendations which had been presented to the Congress. They were important for the dissemination of the principles for participatory democracy set out in Utrecht. Developing mechanisms for public participation in local government was especially important at a time when technological progress was providing society with new tools. This remained a real challenge, however.

The second conference, which had brought together representatives of the capitals of Council of Europe member states, had served as a platform for exchanging ideas about capitals as social and economic driving forces, promoters of solidarity and models of civic participation. Capital cities were facing a number of challenges: environmental protection, urban development, infrastructure efficiency and the compatibility of urban development with the public interest. The representatives of the capital cities had underlined the difficulties in providing a decent environment for their citizens in spite of the high density of the areas concerned. At the same time, capitals were a unique window for presenting countries and were also venues for international exchanges. In one sense, metropolises could become a problem, but they could also be a source of hope for healthy and sustainable urban life. It should also not be forgotten that they created new jobs and were sources of stable revenues.

Outside these two events, the important role of local and regional authorities had regularly been highlighted by the Committee of Ministers. This had been the case, for instance, at the thematic debate held by the Committee of Ministers in September on the role of the Council of Europe in addressing the rise in extremism. Fighting extremism at local and regional level was to be the subject of the Congress’ discussions on Wednesday 30 October. This was an excellent example of the synergies between the different bodies within the Council of Europe, which could help speed up progress on serious issues that needed to be addressed urgently. The Congress debate would no doubt provide valuable input for the Committee of Ministers’ discussion of the matter.

Moreover, the World Forum for Democracy would be taking place in Strasbourg from 27 to 29 November. The theme was “Rewiring democracy: connecting institutions and citizens in the digital age”. In this connection, he quoted from the forum programme: “a decline in democratic participation is often viewed as a symptom of a detachment between citizens and institutions. Social media and social networks enable individuals to exchange, plan, act and interact with politicians and activists outside institutional systems. The Council of Europe is in a unique position to bring together elected politicians and civil society leaders to discuss the impact of this technological change on established democratic structures and institutions.”

The support of the various Council of Europe bodies had played a key part in strengthening local self-government in Armenia. The 2012-2014 action plan would move the co-operation forward. He was pleased that the resources needed for implementing the various measures had been included in the budget and wished to take the opportunity to thank the members of the Danish delegation most warmly for their assistance. The technical support and expertise provided under the programme would enable Armenia to make progress in areas such as administrative and territorial reforms,

decentralisation of financial resources, expansion of the scope and quality of public services and improvement of public participation, etc.

The long-term objective of the Armenian authorities was to strengthen democracy and build up local authorities' capacities in order to enable them to address issues of local importance. A monitoring visit by the Congress regarding implementation of the European Charter of Local Self-Government was due to be made to Armenia from 26 to 29 November 2013. Armenia welcomed this co-operation with the Congress. The report on the observation of the municipal elections in Yerevan on 5 May would be debated during the session. The Armenian authorities set great store by the recommendations in the report.

In conclusion, the Council of Europe was a unique organisation. Its *raison d'être* was to promote and protect human rights, democracy and the rule of law. It had the instruments and expertise to perform this task, which was vital during times of crisis. The Congress of Local and Regional Authorities, the Committee of Ministers and the other Council of Europe bodies had a duty to meet the challenges facing society and make sure that fundamental values were defended. This called for efforts from all levels of government, including local and regional authorities. The Committee of Ministers welcomed the constant efforts of the Congress and remained convinced that the joint efforts would bear fruit.

ORAL REPLY TO WRITTEN QUESTIONS

The PRESIDENT thanked Mr Gevorgyan for his statement and opened the debate. Mr Gevorgyan would answer written questions submitted in advance by Congress members, provided that the individuals concerned were present in the debating chamber to put their questions orally.

Amy KOOPMANSCHAP (Netherlands, L, SOC) noted that the Armenian Chairmanship had set the promotion of local and regional democracy as one of its priorities. The Congress had taken part in several events held in this connection, mostly in Yerevan. How did Mr Gevorgyan assess the Congress' contribution to the chairmanship and what follow-up would be given to these various events, in particular the June 2013 conference on citizen participation?

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, said that the Armenian Chairmanship had adopted local and regional democracy as a priority, like its predecessors. Armenia had held a large number of events, at which there had been much interaction with Congress members. One of the Armenian Chairmanship's priorities now was to promote the principles of participatory democracy and encourage member countries to adopt the Utrecht declaration. He hoped that the joint efforts of the Congress and the Armenian Chairmanship would bear fruit. New arrangements had to be established in order to further promote participatory democracy. The Armenian authorities had already made progress in this direction. During the conference, the Armenian parliament had passed major amendments in order to foster participatory democracy.

Jos WIENEN (Netherlands, L, EPP/CCE) said that elections of the members of the Assembly of Aldermen had been held in Yerevan in May. He asked Mr Armen Gevorgyan how he assessed the influence of the elections at grassroots level as introduced in 2009 on the development of the role of the mayor and the executive, in Yerevan and in Armenia as a whole.

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, said that municipal elections had been held twice in Yerevan this year because of the new system. In the 2009 elections, all political forces and civil society had been actively involved. A Congress delegation had observed the last elections and its report would be discussed during the session. Since being set up, Yerevan municipal council had really functioned as an institution of local democracy. All political forces that had passed the minimum threshold had now taken up their mandates and were involved in the management of the city. He hoped that the process established in Yerevan would be replicated in other towns in Armenia.

Knud ANDERSEN (Denmark, R, ILDG) said that the Congress was seeking greater efficiency in its dialogue with the member states in order to improve local and regional democracy. During the

session, the Congress would discuss a draft resolution on developing political dialogue with national authorities in order to implement Congress recommendations through the post-monitoring procedure. This procedure consisted in defining, together with national authorities, roadmaps for the implementation of Congress recommendations. He asked whether Mr Armen Gevorgyan felt the Congress was on the right track.

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, said that the mechanisms used in the Congress' activities were very important. What mattered was the lack of discrimination between member states: the same monitoring procedure applied in all countries. Monitoring exercises should not be regarded as inspections. The Congress' visits to Armenia had been particularly useful. Over the past 10 years, they had inspired a great number of measures which had been taken to promote local democracy. The Congress should not hesitate to indicate other issues on which the Armenian authorities should focus. With this activity, the Congress was meeting its obligations in full. He was therefore pleased that the process was moving forward.

Matej GOMBOSI (Slovenia, L, EPP/CCE) said that the Congress had reinforced its statutory work with post-monitoring dialogue and activities carried out in the field. These activities were direct follow-up to the Congress' recommendations on the implementation of the European Charter of Local Self-Government and the election observation exercises. They were included in the Council of Europe action plans for Albania, Armenia, Georgia, Moldova and Ukraine, among others. How did Armen Gevorgyan view the contribution of the Congress to the Council of Europe action plans in the field?

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, thanked the Congress on behalf of the Committee of Ministers for the work it was doing in close co-operation with other Council of Europe bodies. The relevant activities were important to many countries, including Armenia, which was aiming to reform local and regional policies and respond to the challenges on the ground.

He had had many opportunities to work personally with Congress representatives. Given the scale of the task in hand, nobody could call the future of the Congress into question. It was important properly to understand the challenges facing the Congress in a rapidly changing world. Its action could extend beyond the boundaries of the Council of Europe, where it had established co-operation agreements with various states such as Morocco and Tunisia, for instance. The Congress could make a valuable contribution to local and regional government reform in those countries. The Congress was to be congratulated on its work, which was bound to foster the development of local democracy.

Igor SHUBIN (Russian Federation, ILDG) referred to the situation in Syria. He asked about the Council of Europe's position on the recent Russo-American agreements concerning the destruction of chemical weapons in Syria, the corresponding UN Security Council resolution and the plan to hold an international peace conference for Syria. The issue would shortly be on the agenda of the Committee of Ministers of the Council of Europe.

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, said that even though Syria was outside the Council of Europe's scope of action, the Committee of Ministers had had the opportunity to discuss the tragic consequences of the events in the country. In March 2012, the Committee of Ministers had held exchanges of views with the Independent International Committee of Enquiry on Syria. Subsequently, in May 2012, the Committee of Ministers had adopted a declaration condemning the violations of international law in Syria and commending neighbouring countries for their assistance to the Syrian refugees. He was deeply concerned by the developments, which were claiming the lives of many innocent people. There was a large Armenian community in Syria. Armenia could only welcome the American-Russian agreement aimed at settling the Syrian crisis and the UN Security Council resolution.

From the beginning of the conflict, Armenia had taken in some 10 000 Armenians from Syria and it was feeling the impact of the situation directly. Any initiative that could help bring about a peaceful settlement to the conflict would be welcome. The Armenian government had taken many steps to ease the suffering of the Armenians in Syria, through the protection of their rights, educational

programmes and opportunities for improving their economic situation. He hoped that all these efforts would bring about a peaceful settlement to the conflict so that the displaced could go back to their homes and resume their previous lives.

Vladimir VARNAVSKIY (Russian Federation, ILDG) said that in its Resolution 2013/2826 of 12 September 2013, the European Parliament, without any justification, had accused Russia of exerting pressure on a number of states involved in the EU's Eastern Partnership programme, including Armenia. These countries were planning to join the European free trade zone via association agreements with the EU. Armenia had recently decided to join the Customs Union. What was Armen Gevorgyan's opinion on how matters really stood in this regard?

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, quoted a declaration made by the President of the Armenian Republic on the subject a few weeks earlier: "These days, very often, there is talk about the choice between the countries of the European Union and Eastern Partnership countries. We have always stated that we are not ready to consider this issue on this platform. Armenia is determined to continue its mutually beneficial partnership with the European Union. From the very beginning of the Eastern Partnership initiative, even before that, we have stated and will continue to state that we aspire for possibly close and expanded relations with the European Union. This policy will not be dropped. It is well known that Armenia has a very close, strategic relationship with Russia. Armenia has not built a new relationship to the extent of its relationship with its strategic partner. As we defy building new relationships with any partner that will be against another partner. We are going to continue to compare the interests and relations of our key partners". Possible pressure on Armenia was not compatible with that position.

Yoomi RENSTRÖM (Sweden, R, SOC) said that the right to peaceful demonstration was a core human right. It applied to all individuals without discrimination on any ground such as sex, race, colour, language or religion. However, an increasing number of city authorities were banning Gay Pride marches, infringing on the right of LGBT persons to exercise freedom of assembly and expression. In addition, legislation banning "public actions aimed at propaganda of homosexuality, lesbianism, bisexuality and transgenerence amongst minors" had been introduced in several regions in the Russian Federation. How was the Committee of Ministers reacting in this area and what action was being taken to ensure full enjoyment by LGBT persons of their rights?

Armen GEVORGYAN, Deputy Prime Minister and Minister for Territorial Administration of Armenia, representing the Armenian Chairmanship of the Committee of Ministers, confirmed that the right to peaceful demonstration was a fundamental human right, as mentioned in many Council of Europe documents. Human rights must be extended to all individuals without discrimination. The European Court of Human Rights had stated that all countries had a positive obligation in this area: they had to take all measures necessary to enable peaceful demonstrations to take place. The Committee of Ministers paid particular attention to these issues, especially when supervising the proper execution of the Court's judgments. In this context, the Committee of Ministers had adopted a recommendation on discrimination, based on the standards set out in international instruments, in particular the European Convention on Human Rights. Its implementation had been reviewed by the Steering Committee on Human Rights.

The PRESIDENT closed the debate and thanked Mr Gevorgyan for taking part.

He invited Congress members to the wine-tasting event, "The Magic of Armenian Grapes", being hosted by the Armenian Chairmanship of the Committee of Ministers.

The sitting was adjourned at 12.29.

The sitting resumed at 14.33 with Herwig van Staa, Congress President, in the chair.

8. STATEMENT BY THORBJØRN JAGLAND, SECRETARY GENERAL OF THE COUNCIL OF EUROPE

The PRESIDENT was pleased to announce that the afternoon's debates would begin with an exchange of views with Mr Jagland, Secretary General of the Council of Europe. The exchange would

be less formal than in the past, as Mr Jagland had agreed to answer spontaneous questions not tabled beforehand in writing. The President thanked the Secretary General for this open and pragmatic approach.

It was a historic day for the Congress because the exchanges would be followed by the celebration of the ratification of the European Charter of Local Self-Government by San Marino. All 47 Council of Europe member states had now ratified the Charter. All the efforts the Congress had made for 25 years had achieved their goal, namely the establishment of a harmonised European legal area. Efforts were, however, continuing to achieve the ultimate goal of all member states accepting the Charter in full without any reservations.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, was pleased to be taking part in the exchange with Congress members and offered them his congratulations. With the ratification of the European Charter of Local Self-Government by San Marino, 100% of the Council of Europe's territory was now covered by the provisions of the Charter. That was a single legal area for local self-government in Europe. It was important to ensure full and coherent implementation of these standards, without any reservations. That was an ambitious endeavour. The Council of Europe, its benchmarks and its assistance were now needed more than ever, but resources were scarcer, which affected the way it worked.

He gave an update on where the Council of Europe currently stood. When he had taken up office as Secretary General four years earlier, he had encountered several challenges. One of them had been to update the Council of Europe's conventions, which provided legal responses to cross-border threats to human rights. Two new protocols had therefore been added to the European Convention on Human Rights so as to improve the efficiency of the Court of the same name. Priorities had been set so as to focus on the most important conventions.

Another priority had been to look at the functioning of the monitoring mechanisms, which were key assets of the Council of Europe. The full potential of monitoring had not been exploited because of a lack of co-ordination. The Congress and the Parliamentary Assembly had their own monitoring systems and there were over 10 mechanisms of this kind within the Council of Europe. Without co-ordination, there was a risk of duplication and also of a degree of monitoring fatigue among the member states. A number of measures had therefore been introduced to reduce the burden on states which were monitored.

Another challenge had been to improve the quality of follow-up. The monitoring recommendations were useful only if they were implemented by the member states and checks could be carried out. The reform of the Council of Europe had involved the need to change practices and increase the decentralisation of resources in the field. It was necessary to connect monitoring mechanisms more effectively with work in the field, a task which had still not been finished. The aim was to establish a constructive dialogue with the states concerned, on the basis of the findings of the monitoring bodies.

In May 2013, the Committee of Ministers had asked the Secretary General to present a yearly report on human rights, democracy and the rule of law, based on the findings of the various monitoring mechanisms, and setting out proposals for action. The first stage in the process had just been completed, in the form of a country-by-country analysis identifying three major challenges for each country. Individual country profiles were now sent to each of the member states and should serve as guidelines for future co-operation with the Council of Europe.

The reforms undertaken in the Congress echoed the broader reforms carried out elsewhere in the Council of Europe, and he was glad to see the results. In particular, the steps taken by the Congress to broaden political dialogue with member states at national, local and regional level were to be welcomed. He congratulated Congress members on deciding to introduce post-monitoring dialogue in order to ensure follow-up to Congress recommendations and help member states with implementing them. At the same time, stronger involvement of the Congress in the action plans drawn up by the Council of Europe would be desirable.

In his view, the Congress had an important role to play in countering some worrying trends which were emerging in Europe, such as the rise in extremism, hate speech and the denigration of

minorities. He attached particular importance to the issue of the situation of Roma in Europe. In spite of countless programmes and the activities of non-governmental organisations and in spite of all of the funding allocated, Europe was failing in the integration of Roma. Unfortunately, old habits died hard. Recently, it had been seen how easily all the lengthy efforts to combat prejudice could be wiped out by totally fabricated stories based on stereotypes.

He had high hopes in the European Alliance of Cities and Regions for Roma Inclusion. Many municipalities were committed to promoting Roma integration but they often felt alone and poorly equipped. They needed support, expertise and resources. Helping municipalities here was the underlying overall objective of the reforms launched at the Council of Europe.

Another important area was the Congress' co-operation both with the intergovernmental sector and with the Parliamentary Assembly under the One in Five Campaign. This had been boosted by the launch of the Pact of Towns and Regions to Stop Sexual Violence against Children.

The Congress' action was now in sync with that of the Council of Europe as a whole and followed the same priorities. The Congress was involved in the reform processes in Morocco and Tunisia through the establishment of the "partner for local democracy" status and also in the activities in Belarus. The Congress' decision to hold a seminar on the European Charter of Local Self-Government in Minsk was to be welcomed. Congress members could act as ambassadors for local self-government through their involvement in activities in Belarus.

It was good that the session agenda included discussion of political extremism at local and regional level. This was in line with his own concerns. People now lived in their communities, in their countries and in Europe. The Council of Europe therefore had to look at all these levels of government. The work done by the Congress here was very important. Local authorities played a key part in democracy in Europe. In conclusion, he paid tribute to the Congress' Secretary General, President and members. They could be assured of his full support.

ORAL REPLY TO SPONTANEOUS QUESTIONS

The PRESIDENT thanked the Secretary General for his address and gave the floor to participants who wished to put questions.

John WARMISHAM (United Kingdom, L, SOC), in his capacity as Rapporteur on Roma Issues, was pleased to hear Mr Jagland's commitment in this respect. The Council of Europe, the European Commission and the Alliance of Cities and Regions for Roma Inclusion were acting together here and demonstrating the co-ordinated efforts of the Council of Europe and the European Union. However, there were also some worrying trends. That was the case, for instance, with the establishment of a new supervisory mechanism which might duplicate the efforts of some Council of Europe bodies, in particular the Venice Commission. Was there not a risk of the Council of Europe gradually being eclipsed by the European Union?

Thorbjørn JAGLAND, Secretary General of the Council of Europe, underlined that the Council of Europe had a pan-European vision and addressed the whole of Europe. At the same time, there was an integration process which had led to the European Union. The Council of Europe had a special relationship with the EU but should not become a subcontractor to it: it had to be a partner. The EU had a tendency to establish its own systems, which sometimes duplicated the Council of Europe's pan-European bodies, to the detriment of the latter. In order to avoid any competition, the institutions should agree on working arrangements so as not to create parallel structures and waste the available resources. He was watchful in this respect. He had been relatively reassured following a meeting about these issues with Mr Barroso, the President of the European Commission, and the Vice-President, Ms Viviane Reding. However, the situation also depended on the quality and the relevance of the Council of Europe's work, which meant that it was vital for the various Council of Europe bodies to be united and follow the same strategy.

Stewart DICKSON (United Kingdom, R, ILDG) said that the EU had set up an External Action Service headed by Lady Ashton, which had not invited the Congress to observe the local elections in Kosovo on 3 November. Yet election observation was one of the Congress' activities. He wondered whether there was a risk of an attitude of this kind being repeated in future.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that he was not pessimistic in this respect, but that the issue of Kosovo was particularly difficult. Until very recently, it had been impossible for the Council of Europe to have contacts with the Kosovar authorities, for numerous reasons. However, he had been able to reach an agreement which now enabled the Council of Europe to have direct contacts with the authorities in Kosovo in the context of functional activities. The Council of Europe did not want to do anything that could harm relations between Belgrade and Pristina. He hoped that the situation would develop favourably. He took note of Mr Dickson's comment so as to raise the subject with the parties concerned and the EU.

Leen VERBEEK (Netherlands, R, SOC) said that the decisions taken at local and regional level were assuming increasing importance. In this context, was the Committee of Ministers making enough use of the Congress' expertise? In his view, more could be done here.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, agreed. The ongoing reform was intended to make better use of the know-how of the various Council of Europe bodies and co-ordinate their activities more effectively, in particular in the case of the monitoring bodies. The Congress had information which it needed to make available to the entire organisation. The operation of democracy in a country could usually be observed perfectly well at local level. It was therefore necessary to make better use of the Congress' findings so as to unite the efforts in the Council of Europe more effectively. Progress had, however, been made in this area.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE) referred to the film, *The Go-Between*, by Joseph Losey, in which one of the characters said the past was another country. The Council of Europe had existed since 1949 and, at the time, things had been done differently. He asked whether it would be possible for Congress members to take part in the election of the Secretary General of the Council of Europe, like the members of the Parliamentary Assembly.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that this question concerned the organisation's Statute. To date, there had been no discussion of the subject. Although it was an interesting proposal, it was tricky for him to enter into such a question in the run-up to an election in which he would probably be standing.

Lars O MOLIN (Sweden, L, EPP/CCE), in his capacity as Chair of the Monitoring Committee, said that that committee had made its monitoring arrangements more transparent and more effective under the reform of the Congress and the Council of Europe. A post-monitoring system had been established to make sure that the Congress' recommendations were actually implemented. What did Mr Jagland think of the arrangement?

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that he held the approach in high regard. However, the exercise should be conducted in countries which sought assistance. An end had to be put to the old habit of levelling accusations at the country concerned; instead, priority should be given to an educational approach based on co-operation. He was entirely in favour of this new arrangement, which followed that approach.

Ludmila SFIRLOAGA (Romania, R, SOC) said that a series of reforms had been undertaken at the Council of Europe since the start of Mr Jagland's term. She referred to the latest initiative to consolidate the various monitoring systems within the Council. What role was the Congress of Local and Regional Authorities to have in the drafting of the future report on democracy and the rule of law?

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that the role of the Congress was very important. The information it provided helped establish an overview of the situation of democracy in Europe. The importance of local democracy in the development of democracy in general should not be underestimated. The activities carried out by the Congress were therefore extremely important.

Gaye DOGANOGLU (Turkey, L, EPP/CCE) noted that there was an increase in racism and intolerance. In particular, minorities such as the Roma and Muslim communities were suffering most from these developments. The steps taken did not seem to be enough to stem these trends. How could the situation be turned around with the Council of Europe's existing instruments?

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that there was a need for strong political leadership on the subject at national and local level. Debate had to be refocused on facts rather than perceptions. Prosperity was not possible without the many immigrants who now lived in Europe. Education and the role of the media were vital in this area. Unfortunately, the media tended to concentrate on conflicts rather than on possible solutions and the importance of migrants in Europe. A greater sense of responsibility had to be instilled. The Council of Europe was seeking to combat the hate speech which was spreading rapidly because of the new means of communication. Sooner or later, hate speech led to acts directed against minorities. The Council of Europe had therefore launched the Movement against Hate Speech, which involved young people in combating such speech in the new media.

Effective legislation was needed in this area. The European Court of Human Rights had ruled several times that legislation prohibiting racism, Holocaust denial and xenophobic speech was compatible with the European Convention on Human Rights. Freedom of expression did not mean that you could say absolutely anything. Enforcing such legislation was a means of combating these trends.

Devrim ÇUKUR (Turkey, R, SOC) said that the Congress was taking part in the reform process launched by Mr Jagland to make the Council of Europe more efficient and raise its profile on the international political arena. While he understood the need for greater co-ordination between the Council of Europe's various monitoring mechanisms, it was necessary to preserve the impartiality of these mechanisms so as to ensure their credibility in relation to the member states. How could a common approach be adopted while preserving the impartiality and smooth operation of these mechanisms?

Thorbjørn JAGLAND, Secretary General of the Council of Europe, did not see any contradiction in this approach. The bodies responsible for monitoring had themselves called for greater co-ordination to avoid monitoring fatigue among the member states. There had been occasions where several bodies had made almost simultaneous monitoring visits to a single country. The national authorities found that somewhat uncomfortable. Two bodies could agree to conduct a joint visit without, however, undermining their respective autonomy. Such co-operation could also make the monitoring visits more effective.

Arkady CHERNETSKIY (Russian Federation, R, SOC) said that 2013 had been very productive in terms of the contacts between the Russian Federation and the Council of Europe. Ms Matvienko, Chair of the Council of the Federation, had addressed the previous session, Mr Naryshkin, the Speaker of the Duma, had also given an address recently and Mr Jagland had visited Russia. He asked Mr Jagland how he viewed the political dialogue between Russia and the Council of Europe.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that the dialogue had been improving for a year in particular. In his view, the Russian Federation wished to play a full part in the Council of Europe; it applied the institution's legal standards and Council of Europe co-operation programmes were welcome in Russia. During the discussions, the sensitive issues had been discussed openly. President Putin had agreed to the opening of a Council of Europe office in Moscow. Its task would be to work on practical reform projects in the Russian Federation.

The PRESIDENT thanked Mr Jagland and closed the debate.

9. DEPOSIT BY SAN MARINO OF THE INSTRUMENT OF RATIFICATION OF THE EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT

The PRESIDENT said that he was adjourning the sitting to hold the ceremony for the deposit by the Republic of San Marino of the instrument of ratification of the European Charter of Local Self-Government.

The sitting was adjourned at 15.18.

Thorbjørn JAGLAND, Secretary General of the Council of Europe, said that the ratification by San Marino turned a new page in the history of the European Charter of Local Self-Government. It had now joined the small group of Council of Europe conventions which had been ratified by all member states. This result confirmed the relentless efforts made by the Congress to promote the convention. In spite of being 25 years old, the Charter was a very modern text. It needed to be implemented in practice in all member states. He left it to Congress members to continue their efforts to this end and keep alive this convention that was unique in the European landscape and made local and regional democracy a milestone for democracy in the broadest sense of the term.

Giancarlo VENTURINI, Minister for Home Affairs, the Civil Service, Justice and Relations with Municipal Councils of San Marino, said that it was a great honour and pleasure to be taking part in the ceremony on behalf of the government of the Republic of San Marino. It was a historic day for San Marino and marked the official culmination of a difficult process that had been completed thanks to the joint efforts of the main institutions of the republic and its municipalities. The ratification was the result of a decision by the parliament of San Marino on 23 October 2013.

Although its territory only covered 60 km², San Marino was subdivided into nine municipalities, or *castelli*, which were run by a council and a “captain” elected by direct suffrage every five years by citizens resident in the country. This long-standing tradition enabled citizens to take part in the community and in municipal administration and maintained a special relationship between central government institutions and grass-roots authorities. In September, the parliament had passed legislation expanding local self-government by a very large majority. The law recognised the valuable role of municipal councils and extended the powers of municipalities. Active citizen participation in public life had been a long-standing goal in San Marino, which was proud of a 1 000-year history of freedom. The ratification of the European Charter of Local Self-Government was therefore an important event.

As Minister responsible for relations with municipal councils, he undertook to protect and promote them. He was pleased to be celebrating the ratification in the company of representatives of the Principality of Monaco and of Andorra, two countries which were close friends of San Marino. He hoped that democracy and human rights would continue to be protected by the Council of Europe, which he held in the very highest regard.

The PRESIDENT said that the European Charter of Local Self-Government had now been ratified by all 47 member states of the Council of Europe. It was an international treaty which established fundamental principles governing the rights of local and regional authorities. Its influence extended beyond the boundaries of the Council of Europe, as it served as a reference text in neighbouring regions, for instance in Morocco and Tunisia, and also in Kazakhstan in Central Asia. The ratification of the Charter by all member states coincided with the 25th anniversary of its entry into force. Great progress had been made in a quarter of a century. He thanked Ambassador Para and Ms Bovi, her deputy, for their contribution to the outcome, and also the San Marino delegation to the Congress. It was not an easy task for a small country to ratify the Charter and a detailed analysis had been needed to apply the provisions of the text to San Marino. The President of the Chamber of Local Authorities, Jean-Claude Frécon, had made several visits to San Marino in this connection. The government of San Marino had worked very hard and discussions had been held in parliament before the decision had been taken. The ratification was a real success for San Marino and for the Congress.

The Congress of Local and Regional Authorities had been a pioneer when it had started monitoring the application of the European Charter of Local Self-Government. The text had not been very well known at the time. Now it was a benchmark for local democracy. More and more authorities throughout Europe referred to the Charter. That was a sign of a change of culture and attitudes. Member states were opening up to a new vision for democracy, a local vision. More and more member states were just as familiar with the European Charter of Local Self-Government as they were with the European Convention on Human Rights and the European Social Charter.

The President was proud of the success of the Council of Europe and thanked the Secretary General of the Council of Europe for his commitment in this area. The success was the result of everybody's joint efforts. He invited all participants to celebrate the event in the evening at a reception being hosted by the Congress and the Permanent Delegations of Andorra, Monaco and San Marino.

The President then invited Mr Jagland and Mr Venturini to sign the record of the ceremony and asked Mr Frécon, President of the Chamber of Local Authorities, to join them.

The record of the ceremony was signed.

The sitting resumed at 15.34.

10. LOCAL AND REGIONAL AUTHORITIES RESPONDING TO THE ECONOMIC CRISIS

[CG(25)5PROV]

[CG(25)5AMDT

[CG(25)16]

The PRESIDENT said that the economic crisis that had been wreaking havoc in Europe since 2008 had not spared any country or level of governance. Local and regional authorities had been particularly hard hit, both by a reduction in their revenue bases and by budget cuts and also by increasing social costs caused by the crisis. However, some local and regional authorities had sought to find appropriate responses to the crisis by adapting the way they operated to the new circumstances. Three debates had already been held on the subject since 2008. Congress members were now asked to consider a draft resolution and draft recommendation based on a report prepared by Svetlana Orlova and Barbara Toce.

He welcomed two guest speakers for the debate: Sir Alan Meale, General Rapporteur on Local and Regional Authorities of the Parliamentary Assembly of the Council of Europe, and Mr Furio Honsell, Mayor of Udine in Italy.

Barbara TOCE (Italy, L, SOC), rapporteur, said that the economic crisis which had been affecting Europe for five years had hit local and regional authorities hard. They were having to deal with cuts in government funding, rapidly increasing debt levels and inadequate financial equalisation mechanisms. At the same time, they were having to increase their welfare activities for their citizens, many of whom were experiencing growing economic difficulties. The report presented was based on information gathered from local and regional authorities and listed the solutions implemented by them for tackling the crisis.

The responses to the crisis had to be consistent at all levels of government, which demanded solidarity between national, regional and local authorities. It was up to governments to involve local and regional authorities in shaping economic and financial policies. Consultations of this kind should lead to decisions that made greater devolution and greater budgetary autonomy possible. Local and regional authorities were best placed to use the available resources in the manner most suited to the needs of their population. As they were more flexible, it was easier for them than for national authorities to adapt to changing circumstances. It was necessary to provide local and regional authorities with a fair balance between central government financial transfers and revenues of their own. The existence of equalisation arrangements enabled the burdens to be shared more easily between the different levels of government. The rapporteurs recommended that national authorities take steps to stabilise local budgets by guaranteeing a constant level of government transfers and that they grant local authorities powers in the area of property taxes. It was necessary to give local and regional authorities greater financial autonomy, while avoiding excessive taxation of businesses and incomes already hard hit by the crisis. Lastly, there was a need to revive investment to stimulate economic growth, innovation and employment rather than focus on austerity measures which could have a cascading negative impact on economic growth at local level.

At the same time, local and regional authorities had to ensure the continuity of their welfare activities and public services. For instance, many countries had excluded priority social services such as health, education and social protection for vulnerable groups from budget cuts. Other countries had established criteria for the provision of welfare services. In this connection, it had to be stressed that there was a need to support expenditure which met the necessary criteria.

The rapporteurs mentioned some steps which could be taken at local and regional level in response to the crisis: achieving economies of scale, possibly through voluntary mergers of local authorities; innovation; closing or altering certain underused facilities; involving the third sector in the delivery of certain services; establishing public/private partnerships in the area of vocational training in

particular; and using apprenticeship schemes to help people find jobs. At the same time, national governments, in co-operation with local and regional authorities, would have to introduce appropriate programmes to reduce debt levels.

In Italy's case, for instance, there was a need to reform the model of government and share responsibilities more evenly. It was necessary to establish a community of individuals united by peaceful, human principles and promote coexistence, while also recognising the value of self-government by granting municipalities sufficient powers and resources. There seemed to be a need to redistribute powers, while not penalising the action of local and regional authorities which had had to make considerable sacrifices.

By avoiding unnecessary expenditure, some measures could perhaps enable resources to be allocated more usefully for local authorities. Self-government was not possible without adequate resources. Yet local authorities had suffered substantial reductions in their resources because of reduced transfers from central government. The Stability Pact had become a major constraint. Governments did need to make certain vital investments. Local authorities needed to enjoy real self-government. Financial policy therefore had to be reviewed to make better use of the available resources and harness funding that did not only come from public sources, for instance through concessions or public/private partnerships.

In Italy, many municipalities had fewer than 5 000 inhabitants and it was becoming increasingly difficult for them to meet the needs of their population. Each municipality was proud of its history and identity. Nevertheless, several small municipalities had opted to merge because they lacked the resources needed for running their communities.

Lastly, she drew attention to the tragic situation in Lampedusa, which was a matter for Italian society as a whole. Immigration was a structural part of demography and required responses in terms of integration. The emergency situation was placing severe strain on the reception facilities for refugees. Municipalities had to take action, but they did not have the resources for dealing with the situation. The Italian delegation would be tabling a motion on the tragedy in Lampedusa. In addition, she wished the public to play a greater part in identifying solutions for responding to the crisis.

The PRESIDENT, before opening the debate, announced that he had joined with the President of the Parliamentary Assembly of the Council of Europe in issuing a joint declaration entitled "Facing the economic crisis: recovery requires reinforced co-operation between all levels of government", which was set out in document [CG(25)16].

The Parliamentary Assembly and the Congress had long-standing relations. It was the Assembly which in the 1950s had set up the Standing Conference of Local and Regional Authorities, which had subsequently become the Congress of Local and Regional Authorities. The ties between the two institutions had become closer recently, in part thanks to Sir Alan Meale, who had suggested the idea of the joint declaration. It included a call to make united efforts and strengthen co-operation between all levels of governance. It was important for national parliaments and local and regional authorities to join forces in defending democratic values and promoting a resumption of growth. The joint declaration would make the views of the two institutions heard more loudly.

He then welcomed Sir Alan Meale, who in 2012 had been rapporteur on the impact of the economic crisis on local and regional authorities in Europe. Sir Alan had told the Congress of the need to use increasingly limited resources more carefully, both for central governments and also for local and regional governments. He had also called for closer working relations between the two bodies. The President asked him to present the action which the Parliamentary Assembly had taken on his report and the prospects for future Assembly work on the subject.

Sir Alan MEALE, General Rapporteur on Local and Regional Authorities, Parliamentary Assembly of the Council of Europe, was delighted by this historic day on which the ratification of the European Charter of Local Self-Government by all member states had been celebrated. The day was also historic because of the joint declaration. Moreover, it was the 150th anniversary of the Red Cross, another European institution. He hoped that in a few years, the Charter and the declaration would be known because of all the work they had triggered. The importance of local and regional action should not be underestimated.

He also praised the work done by the Secretary General of the Congress, Andreas Kiefer, and the entire Congress Secretariat. The staff had shown great commitment in the co-operation between the two bodies. The President of the Parliamentary Assembly would address the Congress the following day and would discuss the relationship between the two bodies at greater length.

It had to be stressed that the crisis was continuing. The 2008 financial crisis had rapidly turned into an economic crisis and then, in 2010, a sovereign debt crisis. Some countries, especially in southern Europe, were, however, most seriously affected and everything possible had to be done to help them. His report on the impact of the economic crisis on local and regional authorities in Europe had led to the adoption of a resolution by the Parliamentary Assembly. The Assembly had also considered another report on Austerity measures – a danger for democracy and social rights. It had underlined that strict austerity programmes were one of the main causes of the length of the crisis, with devastating effects on democratic processes, social rights and social services. The debate had highlighted that unless there was a real turnaround, the situation would only get worse. Unfortunately, that was the case. Terrible difficulties were occurring because institutions had not been able to adapt and provide proper support for citizens.

The Assembly's Social Affairs Committee had adopted a report on "Good governance of large metropolises" by Jeffrey Donaldson, which would be submitted to the next session of the Parliamentary Assembly. The crisis was seen as a threat to public services and democratic mechanisms, in particular citizen participation. Nevertheless, crises were sometimes also an opportunity to learn and an action plan had been outlined by Jeffrey Donaldson, to whom he was grateful for the work he had done. Another resolution currently being prepared would look at the impact of social inclusion on democratic institutions. The rapporteur, Mike Hancock, underlined the need to prepare a whole panoply of recommendations in this area, given the importance of the issue. If citizen participation was not encouraged, many people lost interest in politics and felt excluded from society.

He then turned to the joint declaration. It concerned the need to equip all local and regional authorities with the powers and resources they needed to perform their tasks. However, some opposing trends were emerging, including the recentralisation of certain powers and the delegation of powers without corresponding funding. Local and regional elected representatives had a difficult job to do and were constantly confronted with complaints from their citizens.

Unless changes were made to democratic processes, one crisis would follow another. Europe had entered an era where resources were limited, and nobody could tell how long the crisis would last. Innovative approaches needed to be devised to deal with the situation, taking account of the fact that resources would remain scarce and that this factor was decisive at local and regional level.

The draft resolution submitted to the Congress put forward a number of measures such as a shared vision developed by the different players at local and regional level, an economic development strategy for the community and the promotion of entrepreneurship. The Parliamentary Assembly supported these proposals. The two bodies should co-operate in 2014 to help local and regional authorities. A few years earlier, the Parliamentary Assembly had reached the conclusion that the Congress had been shut out of the decision-making process, even though local and regional elected representatives were responsible for services that were vital to people in a democratic society. The Parliamentary Assembly would support the Congress in its task.

The PRESIDENT thanked Sir Alan Meale for his statement and also praised the excellent atmosphere that prevailed in the co-operation between the staff of the Congress and their colleagues in the Parliamentary Assembly.

He introduced Mr Furio Honsell, Mayor of Udine in Italy. The municipality was actively involved in the URBACT programme, which helped local authorities to identify innovative responses to the crisis. Mr Honsell had been elected mayor in 2008 and re-elected in 2013, which seemed to indicate that he had been able to deal with the crisis. The President asked Mr Honsell to share his experience with the Congress.

Furio HONSELL, Mayor of Udine, Italy, said that the crisis had had a severe impact on Udine. While 46 calls for tenders had been issued in 2012, in 2013 there had only been one because the municipality was unable to take on new loans. This situation was naturally having an impact on firms in the building and public works sector, which were no longer receiving orders.

The municipality's strategy focused on human values, in particular combating all forms of inequality. Under the URBACT programme, Udine had launched a project for the Roma. Although the project had been controversial, a number of figures should be pointed out: female and male life expectancy for the residents of Udine was 84 years and 79 years respectively, while the figure for Roma was 25 years lower. The local health authorities had even given up vaccination programmes. With the support of URBACT, a local support programme had been established. The municipality was now managing to house Roma and immunise their children without using any coercion.

Udine lay between Venice and Vienna. Gini, who had given his name to the Gini coefficient, which was used in statistics to measure inequality, had been a citizen of Udine. Greater Udine had 180 000 inhabitants, 25% of whom were aged over 65. There had therefore been an increase in recent years in the dependency index and the old age index, although the latter had now stabilised. As a trained mathematician, he wished to disseminate basic scientific knowledge in his city. Statistics could, however, hide some facts. The municipality had introduced a decision support system, but it was difficult to maintain.

The municipality tried to support citizen initiatives and foster small-scale interventions. Udine was a member of various networks. Furio Honsell had signed the Covenant of Mayors in 2009. The city had made environmental commitments, and a 20% reduction in CO₂ emissions had already been achieved. The municipality sought to promote sustainable lifestyles and tried to gain the support of all sections of the population here. That could open up new employment opportunities, for instance in the health sector. During economic recessions, expenditure on prevention was usually sacrificed. But it was better to prevent illnesses than to cure them. In Europe at present, people were expected to live in good health until around the age of 65 years. However, the aim was to keep people in good health for all their lives. The municipality therefore sought to promote healthy lifestyles and active ageing with measures such as walking-for-health groups and programmes to combat isolation.

Measures to promote public health and wellbeing could generate employment. While the employment growth rate had been negative before 2007, it was now 4%. The occupation rate for people aged 55 to 65 had increased because of the ending of early retirement. But the unemployment rate among the under-30s in Udine now stood at over 40%. Small-scale projects and networking activities should be promoted. For instance, laboratories could be shared. The initiatives should come from the people themselves; the municipal authorities' role was to help them implement their projects.

It should, however, be noted that Italy was drowning in regulations and the omnipresence of bureaucracy sometimes stifled efficiency. There was also the issue of immigrants. They accounted for about 15% of the population and were mostly from eastern Europe. In August and September 2013, Udine, which was close to the Austrian and Slovenian borders, had received more asylum seekers than in the whole of 2012. As mayor, it was his duty to take action and, for instance, provide temporary accommodation for newcomers in municipal premises, even though some opponents protested.

The PRESIDENT thanked Mr Honsell and opened the debate. Questions would be answered after all the speakers had spoken.

Anders KNAPE (Sweden, L, EPP/CCE) stressed that Sir Alan Meale's message to the Congress had been particularly interesting. The Congress was currently looking at the process of consultation between the different levels of government. This was a crucial issue during a period of crisis in which differences could emerge between the local, regional and national levels regarding the responsibilities to be taken on. He asked Sir Alan Meale how consultation machinery could be used more effectively for tackling the crisis. The consultation processes were very limited in many countries.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE) said that disastrous austerity measures had been taken in certain countries. If the economy was to be revived, increased investment was

needed instead. The austerity measures were suffocating the economy and producing serious social consequences, with risks of extremism. He asked what the two guest speakers thought about this.

Mikhail GULEVSKIY (Russian Federation, L, ILDG) said that, in Russia, central government had provided substantial support to regions and municipalities, in particular in the area of social housing, road building and the health system. In 2013, there had been further support programmes in the area of school infrastructure. Steps had also been taken in the employment sector. Municipalities issued calls for tender to provide employment for thousands of individuals. Unemployment in Lipetsk stood at only 0.46% of the working population. The municipality was continuing to diversify its economy and attract investment. In recent years, it had decided to support small and medium-sized enterprises in particular with financial assistance. A technology park had been established and was offering new jobs. With the support of the European Bank for Reconstruction and Development, it had been possible to modernise municipal infrastructure. Lipetsk had also become involved in a pilot project funded by the Russian Ministry of Transport and the World Bank to improve the road network. The funding would total 2.5 billion roubles. Lipetsk had therefore been affected by the crisis like all towns in Europe, but its situation was now stable with good prospects for the future. The municipal authorities were intending to establish very long-term programmes, up to 2035, so as to set priorities.

Galyna GEREGA (Ukraine, L, EPP/CCE) said that the crisis had been affecting Ukraine for several years. Nevertheless, Kyiv, its capital, continued to grow. Emphasis had been placed on two areas, investment and infrastructure. The municipality had invited a large body of experts and civil society to take part in drafting the paper setting out the strategy for the development of Kyiv until 2025. The programme made provision for fresh investment in infrastructure. The priorities would be achieved with municipal and central government funding. Being aware of the benefits involved, investors were taking part in the projects voluntarily. Funding would therefore be available for roads and community centres. Kyiv had also been working to improve energy efficiency, thereby establishing a sound basis for the projects to be rolled out in the future. However, as the resources of the city alone were inadequate, Kyiv had called on Ukrainian and foreign investors. An agreement had been signed making provision for work on several levels as part of Kyiv City, where all commercial companies and investors came together. Without wishing to play down the consequences of the crisis, it was possible to develop the city of the future.

Jean-Claude FRECON (France, L, SOC) wished to put a question to Sir Alan Meale, in his capacity as representative of the Parliamentary Assembly. He had been a tireless link between the Congress and the Parliamentary Assembly. Were synergies between the two bodies now not more necessary than ever to tackle the challenges posed by the economic crisis?

Michael O'BRIEN (Ireland, R, SOC) thanked Mr Honsell for his frank and forthright contribution. He congratulated the municipality of Udine on continuing to look after elderly and vulnerable people, including Roma, in spite of the crisis. Mr Honsell had also mentioned youth unemployment, which had reached the horrendous level of 40% in Udine. The European average was 23%. Had anything been done to get the Italian government to seek the support of the EU solidarity fund? Such a high level of unemployment involved a major risk of a breakdown in public order. How could municipalities appeal to the EU to obtain support for pilot schemes?

Gilbert ROGER (France, L, SOC) referred to the current debate about the reduction in the number of provinces in Italy. In France, there had been a similar debate about the *départements*. In Portugal, there had been discussions about the abolition of parishes. Other European countries were considering abolishing intermediate tiers of government to make savings. He asked what the mayor of Udine thought about reforms of that kind: were they a matter of useful rationalisation in a time of crisis or a sign of poor democratic health?

Helena PIHLAJASAARI (Finland, R, SOC) thanked the rapporteurs and the two guest speakers. Local and regional authorities in her country had had some difficult years, with falling budgets and increasing expenditure. A certain amount of investment had to be maintained in order to support employment and generate economic activity. The financial situation of local and regional authorities varied from one country to another, if only because their tasks and funding methods also varied a lot. The ageing population also increased the demand for care and assistance. Even without the economic crisis, the budgetary situation would be very difficult in many local and regional authorities.

Lastly, point 15.b of the draft recommendation called for corporation taxes to make up a smaller share of local and regional authority revenues. However, they were a significant income source for municipalities in Finland. It was more important for local authorities to work together with the private sector.

The PRESIDENT gave the two guest speakers the floor to answer the various questions. The debate would resume thereafter.

Furio HONSELL, Mayor of Udine, Italy, said that the youth unemployment rate, which was extremely high in Udine, was the result of a major change in the structure of the labour market. Jobs in industry had almost completely disappeared. High-knowledge activities were what mattered now. Udine had seen a brain drain, as Friuli had always been an area of high emigration. The 1976 earthquake had compounded the trend, even though it had been reversed to some extent thereafter. It was indeed necessary to harness all resources to turn things round. The municipality was seeking to support temporary activities and grassroots initiatives. Unfortunately, the law was like a straitjacket that stifled efficiency. For instance, municipal authorities did not set city tax rates themselves. They had very few tools for tackling the crisis. Indeed, the term stasis would be more appropriate than crisis: it was a kind of economic paralysis.

As far as the question of Italian provinces was concerned, they were too limited as entities to be able to resolve big issues such as air quality. Moreover, the powers of the various authorities overlapped, causing real institutional problems. For instance, municipalities ran some school buildings, while provinces were responsible for others. All the organisational arrangements needed to be reviewed.

Sir Alan MEALE, General Rapporteur on Local and Regional Authorities, Parliamentary Assembly of the Council of Europe, returned to the question regarding consultation procedures. Politicians in general were not very keen on consultation, as they liked to take decisions. It had to be pointed out that listening to other people was the best way of understanding issues. It was necessary to establish mechanisms both for discussing and for listening. The public should be involved in the debate, as they often had good ideas to contribute. When he had been a minister, a discussion with a female secretary had led him to change the planning laws.

He then mentioned the statements concerning the situation in Russia and Ukraine. He was aware of the need to invest. In the United States, it was massive investment which had put an end to the Great Depression of 1929. During the First World War, factories had operated flat out, resulting in high levels of employment which, fortunately, had been maintained after the war. The same had been true during the Second World War. After the war, the National Health Service had been established and the gas and water supply industries had been nationalised, for instance. While he was not advocating all-out nationalisation, it was sometimes necessary to take action.

As far as decision-making processes were concerned, all levels should be involved. The local and regional level should not be neglected. Politicians had too much of a tendency to announce decisions prepared by their officials without consulting the grassroots. If the public and local and regional authorities were to be involved, they had to be listened to first of all. Everyone had to feel a part of the ongoing processes. When there was unemployment, it was necessary to train people and create jobs. If the banks were no longer lending to "small" borrowers, it was necessary to lend funds anyway. It was all a question of political will.

The PRESIDENT gave the last speaker the floor.

Spiridon TZOKAS (Greece, L, ILDG) said that local and regional authorities were becoming weaker every day because of the economic crisis. Their staff were struggling to ensure that the authorities survived. It was necessary to avoid "easy" solutions, which pleased politicians, but had a severe impact on the public. In Greece, local authorities had already lost over 60% of their funding over the last three years. And the draft budget for 2014 provided for a further reduction in financial transfers to local authorities. The economic crisis should not be a pretext for imposing excessive cuts on the whole population. The Congress needed to put forward alternative solutions. The crisis should not lead to massive job cuts in local authorities. It was also necessary to reject any attempts to

privatise municipal services. In conclusion, in the countries most affected by the crisis, local authorities were threatened with extinction.

The PRESIDENT said that there was no time left. However, any members who were on the speakers' list and had been unable to speak could submit the text of their statement in writing for inclusion in the report.

Full text of statement by Amy KOOPMANSCHAP (Netherlands, L, SOC), which was not presented for lack of time (Rule 30.6 of the Rules of Procedure)

Thank you for preparing this interesting report about the crisis.

The recommendation of the report is in my opinion a bit too ambitious: the moment we find a financial system that is sufficiently innovative and stimulates, that also creates sufficient guarantee for a minimum level of service delivery, and that in addition is acceptable to all political flows, I would like to be the first one to know!

Nevertheless, the report will definitely help me to support our advocacy about the fact that decentralization can be an answer to the crisis and also to show some examples of other countries about which measures were taken. It would be great if in the future we could get some more insight in the practicalities of the examples mentioned, as I believe that this kind of exchange would be very valuable to the members of the Congress.

To make a start with that, I wanted to very briefly explain something about what the report mentions about the Netherlands. The report shows that municipalities in the Netherlands gain efficiency through inter municipal cooperation.

Increasingly more tasks lie with the municipalities in the Netherlands. This is a good development, because it brings performance of tasks closer to the citizen, as the report shows. At the same time, citizens have high expectations of local government: we ought to deliver good services, have an efficient administration and give room to own initiatives. And the economic situation at the same time requires to do those tasks with less money. This requires strong municipalities with sufficient capacity to perform.

Cooperation is a powerful tool in this regard. In recent years, much has been invested in cooperation between municipalities and in line with the current decentralization this will increase in the future. At the same time, this inter-municipal cooperation is often organized outside of the municipalities. Therefore, it requires good overview and control of the municipalities involved, to ensure ownership of all stakeholders. VNG gathers good practices on its website in an extensive website, not only on inter-municipal cooperation, but actually on all local policies.

Originally inter-municipal cooperation focused on the spatial planning of tasks such as waste collection, or shared administrative power, or to realize economies of scale. Interest in municipal cooperation has further increased as result of the recent developments such as the decentralisation in the social domain: child care, the labour capacity act and social support act.

What I would like to point out today, is that with these important decentralizations, the government has to let go of these tasks. The case now is that decentralization goes hand in hand with excessive controlling mechanisms and supervision and also with budget cuts. Therefore, I would thus also recommend to the Dutch government: if you decentralize, then make sure you trust local and regional governments that they can actually implement the new tasks.

Thank you for your attention.

The PRESIDENT said that the Congress should now consider the draft resolution.

Barbara TOCE (Italy, L, SOC), rapporteur, said that, as the debate had shown, all member states were faced with the same problems. It was necessary to find solutions to help the different countries. The report took account of the Congress members' contributions. The issue debated was a matter of concern for all local leaders. Cohesion and political solidarity were needed for tackling the

various problems. She thanked everyone who had contributed to the drafting of the report and the Congress Secretariat for the excellent work done.

The PRESIDENT said that four amendments to the draft resolution had been tabled.

Gudrun MOSLER-TÖRNSTRÖM (Austria, R, SOC) wished to focus on the problem of youth unemployment. Amendment No. 1 was to add, in sub-paragraph 17.h, after the words “small and medium-sized enterprises” the following: “as well as support to youth entrepreneurship in accordance with para 9.c of Congress Resolution 346(2012) on ‘Youth and democracy: the changing face of youth political engagement’”.

Barbara TOCE (Italy, L, SOC), rapporteur, was in favour of the amendment.

The PRESIDENT put Amendment No. 1 to the vote, no member of the Congress having spoken against it.

Amendment No. 1 was adopted.

Amy KOOPMANSCHAP (Netherlands, L, SOC) said that Amendment No. 2 also concerned youth unemployment. It was to replace, in sub-paragraph 17.j, “including through apprenticeship, with a focus on digital skills,” with “and apprenticeship which focus on digital skills, especially for young people who continue to face difficulties in accessing the labour market, so as”.

The PRESIDENT said there were no objections to the amendment.

Barbara TOCE (Italy, L, SOC), rapporteur, was in favour of the amendment.

The PRESIDENT put Amendment No. 2 to the vote.

Amendment No. 2 was adopted.

Gudrun MOSLER-TÖRNSTRÖM (Austria, R, SOC), in the absence of Johan Van den Hout, presented Amendment No. 3. It was to add, in sub-paragraph 17.m, a reference to the provisions of the Council of Europe’s revised European Social Charter.

The PRESIDENT said there were no objections to the amendment.

Barbara TOCE (Italy, L, SOC), rapporteur, was in favour of the amendment.

The PRESIDENT put Amendment No. 3 to the vote.

Amendment No. 3 was adopted.

John WARMISHAM (United Kingdom, L, SOC) said that Amendment No. 4 was to include, in sub-paragraph 17.p on community care: “, while ensuring that carers are able to balance work, private life and caring responsibilities and are protected from exploitation and discrimination, in line with the provisions of the Council of Europe’s Revised European Social Charter (ETS No. 163)”.

The PRESIDENT said there were no objections to the amendment.

Barbara TOCE (Italy, L, SOC), rapporteur, was in favour of the amendment.

The PRESIDENT put Amendment No. 4 to the vote.

Amendment No. 4 was adopted.

The PRESIDENT put the draft resolution, as amended, to the vote.

The draft resolution set out in Document [CG(25)5], as amended, was adopted.

The PRESIDENT said that the Congress should now consider the draft recommendation. As no amendments had been tabled, he put the draft recommendation to the vote.

The draft recommendation set out in Document [CG(25)5] was adopted.

11. LESS BUREAUCRACY – GOOD GOVERNANCE – MORE PARTICIPATION “VOTE 16”
[CG(25)17]

STATEMENT BY JOSE HERRERA, PARLIAMENTARY SECRETARY FOR CULTURE AND LOCAL GOVERNMENT, MALTA

The PRESIDENT welcomed Mr Jose Herrera, Parliamentary Secretary for Culture and Local Government, Malta. He said that a Congress delegation had visited Malta in 2010 to check the application of the European Charter of Local Self-Government. Following the visit, the Congress had adopted a recommendation in 2011. He asked Mr Herrera to report to the Congress on the action taken on the recommendation and the current situation of local authorities in Malta. Mr Herrera, who was a lawyer by training, had been a member of the Maltese parliament for 17 years and had been Minister for Justice before holding his current post. The President stressed the Congress' willingness to co-operate with the authorities in the member states to help them implement its recommendations. He assured Mr Herrera of the Congress' full support for any action he was planning to strengthen local democracy in Malta.

Jose HERRERA, Parliamentary Secretary for Culture and Local Government, Malta, said he was honoured to have the opportunity to address the Congress of Local and Regional Authorities of the Council of Europe. 20 years had passed since the introduction of the first local government elections in Malta, as the first local council elections had been held on 20 November 1993.

The work of the Congress had always been an inspiration to local democracy in Malta. Malta had been an active member of the Council of Europe since 1965. Maltese local government legislation was based on the European Charter of Local Self-Government. Throughout the years, Malta had therefore taken certain measures that reflected developments within the Congress. One example had been the establishment of the Code of Ethics for Local Councillors in Malta, which was based on a recommendation by the Congress of the Council of Europe. Many provisions in Maltese legislation were based on the *acquis* of the Council of Europe.

Maltese local authorities were nevertheless facing a difficult financial situation. Malta had tackled the economic crisis by seeking to limit the damage. Central government had taken various measures, including a reduction in funding for local councils. However, these measures had been introduced gradually so as to reduce the risk of producing a negative financial impact on local government.

In November, Malta would be taking a number of steps to deal with the challenges of the future. One was reducing the voting age for local council elections to 16 years. The Maltese government wanted all local authorities to be there for their communities and improve their local economies. To this end, a reform process was under way to facilitate the work done by mayors and local councillors. The aim of the reform was to reduce bureaucracy. Liaison officers would soon be appointed in the various departments and ministries to respond directly to the needs of local councils. That should speed up the processing of requests made by the councils.

In addition, powers relating to primary health care were in the process of being delegated to local councils. The Ministry for Health, the Ministry for Culture and Local Government and the local councils' association would be signing a memorandum of understanding on the subject very shortly. Lastly, the local enforcement system was being reformed, as it had been noted that it had been generating income for private companies rather for local and regional councils. A consultation process was due to be launched and it was to be hoped that a radically different system could begin operating shortly.

Malta had also launched a scheme to give local councils financial support to help vulnerable people find employment with them. Through this scheme and by tapping EU funds, local councils would be able to increase their human resources without having to make use of their own budgets.

Given that local councils only had limited financial resources, Malta was continuing to implement various schemes to assist them. These were, however, temporary measures intended to make up for the lack of direct funding from central government. The schemes had been used properly by local councils and some had even organised cultural activities which had also had an impact on the tourism sector.

Other steps would be taken later to enable the local councils' association to receive additional resources in line with the EU guidelines. The government and local councils shared the common goal of the interests and well-being of the population.

He thanked the Congress delegation for the good work done during its visit to Malta, which had led to the recommendations on local democracy in Malta. Some action had already been taken on the basis of the report, even though other improvements still had to be made. Local democracy was important to ensure public support, which could only be guaranteed by acting accountably and transparently. To this end, it was sometimes necessary to update legislation and help local councillors to respect the rule of law. The European Charter of Local Self-Government provided that local authorities should have the right and ability within the limits of the law, to manage a substantial share of public affairs under their own responsibility in the interests of the local population. That is how local councillors in Malta operated.

The report on local democracy in Malta drafted in November 2002 had acknowledged that the system of local government was a relatively new one, having only been in existence for 10 years, and made several recommendations concerning the legislation on local councils. Many of the comments in the report were being dealt with, as could be seen from several examples. Point 23 of the report stated that "complete equality between localities when it comes to tasks to be accomplished may create problems if the functions endowed are too big or complicated for the smallest ones". Point 27 said that in order fully to comply with the European Charter of Local Self-Government, it was important that the allocation of administrative functions to local councils be steadily expanded. Point 35 concerning limitations on the engagement of municipal employees had been dealt with. Point 36 concerning limited training opportunities for council staff was also being addressed. New training programmes would be provided for members of local councils and their staff. The authorities had also taken action on point 38 concerning the reimbursement of local councillors' expenses and loss of earnings.

In 2009, the central government had presented a local government reform with an intensive six-month consultation process involving all the stakeholders. 3 000 contributions had been received from the general public. This was an excellent example of direct citizen participation. The Maltese authorities had also dealt with other points listed in the 2010 report. Their aim was to ensure good governance, in other words, accountable and transparent government both at local and at national level.

Recommendation 305(2011) had been adopted by the Chamber of Local Authorities on 23 March 2011 and then by the Congress on 24 March 2011. Point 9 had concerned the share of public affairs and funds that the local authorities had the right to manage. While local councils' share of total spending in Malta was relatively low compared to other countries, this was due to certain responsibilities which still fell under central government. Discussions would be held on the subject at the beginning of 2014 with all stakeholders. Point 10.b had recommended that some of the provisions regarding the status of executive secretaries be reconsidered in order to ensure that ministerial discretion did not hamper the freedom of local councils to select their main executive officers. A legislative amendment would shortly be proposed to deal with this issue. Point 10.c had recommended that the system of financial control be reconsidered so as to allow local authorities to determine expenditure priorities. He was currently working on this proposal so that financial monitoring would be limited to special cases, following changes in the regulations. Item 10.d had concerned the introduction of a system of local taxation. While he was trying to find a solution here, account had to be taken of the special situation of Malta, which was a small country, where a system of local taxation posed a number of problems. Point 10.e had recommended that the system and practices of consultation and co-operation between central and local authorities be improved. The liaison officers being appointed in the government ministries would have the task of facilitating contacts between central and local government. Point 10.f had called for improvements in access by women to local political office. The government was working on this issue, but needed more support

from the main political parties. Point 10.g had concerned the granting of a special status to the city of Valletta. The city had been put forward as European Capital of Culture 2018, which would be a good opportunity for making the necessary changes concerning its status. Point 10.h had called on the Maltese authorities to make sure that the ongoing reforms regarding supplementary levels of territorial self-government did not dilute the already limited resources and functions of local councils. Members could rest assured that he had the intention of enhancing these resources according to the funding available at central government level.

The Maltese government firmly believed in the values of democracy and the rule of law, the promotion of cultural identity, social integration and democratic reforms on all levels of government. The reforms being carried out by the government sought to strengthen local democracy, in keeping with its objective of developing strong communities at local level, which, in turn, resulted in a stronger national identity.

Lastly, there was one other issue currently under debate in Malta. The government was proposing that the voting age be reduced to 16 years for the next local elections, with the goal of involving young people more closely in society. The measure would have to be preceded by an educational and information process to prepare young people for the opportunities opening up for them. The government was also considering the advisability of allowing 16-year-olds to take part in other elections. Youth organisations were in favour of the reform and a legislative amendment would therefore be introduced to lower the voting age. He urged society to accept the reform and, in particular, parents to recognise the maturity of their children. He praised the goodwill of the political class who were willing to enable young citizens to voice their views and play a full part in society. It was a historic moment and society should take up the challenge.

The PRESIDENT thanked Mr Jose Herrera for his statement and his positive reactions to the Congress monitoring report. He asked members who had tabled written questions to present them.

ORAL REPLY TO WRITTEN QUESTIONS

Irene LOIZIDOU (Cyprus, L, EPP/CCE) said that in 2011 Malta had lifted certain reservations and declared that it was bound by four additional paragraphs of the European Charter of Local Self-Government. However, local authorities were still not able to levy taxes. A reservation remained concerning Article 9, paragraph 3, of the Charter regarding local taxation. She asked whether Mr Herrera believed Malta might be able to lift the reservation.

Jose HERRERA, Parliamentary Secretary for Culture and Local Government, Malta, explained that when the concept of local authorities had been introduced in the Maltese constitution, they had been regarded as the fourth pillar of government. Local councils did not levy direct taxes, but received a share in national tax revenues. He did, however, intend launching debate on the subject with local government representatives, central government and the Prime Minister. At present, local authorities could raise funds by other means, for instance by creating parking spaces and charging for them. Moreover, the aim was also to involve local authorities on a sounder basis in the overall funding efforts.

Gudrun MOSLER-TÖRNSTRÖM (Austria, R, SOC) was pleased that the government wished to lower the voting age to 16 years for local elections and then subsequently for other elections. The Congress and the Parliamentary Assembly of the Council of Europe had both issued corresponding recommendations. In Austria, young people aged 16 to 17 years old had had the right to vote in local elections since 2002 and in regional elections since 2008. Studies had shown that taking part in elections could encourage them to take ownership of democratic processes. What means did young voters in Malta have at their disposal to take part in policy-making processes? Were there youth councils or youth forums, for instance?

Jose HERRERA, Parliamentary Secretary for Culture and Local Government, Malta, said that several forums in Malta enabled young people to take part in democratic processes. For instance, a youth parliament had been set up: schools elected representatives who proposed laws. Recently, he had written to all the mayors in Malta asking them to appoint temporary youth ambassadors to take part in municipal council debates without the right to vote. There were also youth trade union organisations in universities and youth sections in the political parties. The amendment granting the

right to vote from the age of 16 had been put forward a few months earlier and, since then, several initiatives had been taken to encourage young people to play as big a part as possible in society. In particular, a follow-up body involving several youth clubs had been set up.

Ilmar REEPALU (Sweden, R, SOC) mentioned the recent tragedy in Lampedusa, which had been a brutal reminder that migration to Europe's southern shores was intensifying and that the matter had to be dealt with urgently. Malta was in the front line of this migration and had the highest ratio of migrants per inhabitant in the whole of the European Union. Local authorities did not have the resources for meeting the needs of the new arrivals. What resources would be provided for local councils to enable them to deal with this extra burden?

Jose HERRERA, Parliamentary Secretary for Culture and Local Government, Malta, said that illegal migration was indeed a burden for local authorities and also for the country as a whole. The problem was relatively recent and was only eight or nine years old, but had become a real emergency. The waters around Malta were huge compared to the size of the country. Every day, migrants arrived from North Africa, sub-Saharan Africa, Syria and Iraq. Thousands of migrants entered Maltese territory.

It had recently been agreed that the issue would be debated by the Council of Ministers in November. Malta was calling for greater solidarity from Europe, as it believed that the problems relating to migration should be shared by all countries in Europe. Financial assistance was needed, but was not enough. If the situation persisted, there was a risk of explosion. In Malta, some parts of the country were even more exposed than others to migration flows. Particular attention needed to be paid to the areas with detention centres and where migrants arrived. To date, the local authorities concerned had not received any direct financial assistance. He undertook, however, to negotiate with the Finance Minister and the other ministers so as to revise the mathematical formula for allocating resources to local councils so that it took this burden into account. Local authorities which took in migrants should receive special financial assistance. Central government could also help the authorities concerned by boosting their human resources or by other means.

The PRESIDENT thanked Mr Herrera and the various speakers. He wished the Maltese government every success in its efforts to expand local democracy.

12. LOCAL AND REGIONAL DEMOCRACY IN HUNGARY

[CG(25)7PROV]

[CG(25)7AMDT]

The PRESIDENT asked the rapporteurs to present the text on local and regional democracy in Hungary.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, said that the Congress delegation had been composed of Artur Torres Pereira as Rapporteur on local democracy and himself as rapporteur on regional democracy. He wished to take the opportunity to thank the Hungarian delegation and the Hungarian authorities for their very active participation in the consultations on the draft report. Such consultations were vital at all levels and the rapporteurs had therefore preferred to postpone consideration in plenary of the draft report until all the comments received had been taken into account in the document.

During its visit to Hungary, the Congress delegation had visited Budapest, Gödöllő, Szentes and Szeged. Compared to the local level, regional authorities in Hungary were in a weak position. They were small entities, but they were nevertheless regarded as corresponding to NUTS 2 level. The Congress had adopted a report on regional government in Hungary in 2002, which had called for developments at regional level to be followed closely. However, the position of Hungarian counties was now even weaker than before, even though the government had given assurances that the ongoing reforms were designed to strengthen the regional level.

The overall idea of the reform was to transform counties into economic development bodies capable of managing European funds. However, the future powers of the counties had not yet been made sufficiently clear. Counties had lost their public institutions and a large part of their human and

financial resources. Much still therefore had to be done to bring Hungarian counties into line with the Congress reference framework for regional democracy.

Transfrontier co-operation was an area where Hungary was extremely active, in particular in setting up Euro-regions. Many European projects were carried out in the fields of culture and tourism. The Hungarian government had announced its intention to sign the Third Protocol to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities. The Congress delegation welcomed this development.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, said that the last report on Hungary adopted by the Congress in 2002 had concerned only regional issues. The report now being presented was the first to deal with the two levels, both local and regional.

He said he knew the country well and could compare the current situation with that a few years earlier. On the basis of facts observed in the country and comments made by discussion partners there, it could be seen that there was a growing recentralisation of powers, which went against the principles laid down in the European Charter of Local Self-Government. Local self-government was not enshrined either in the Cardinal Act or in the Hungarian constitution. Some powers previously assigned to local authorities had been transferred to central government. The financial autonomy of local authorities had been severely reduced and the control wielded by central government over local government finance had been strengthened. The process for consulting local authorities did not work in practice. The pooling of the administrative structures of municipalities with less than 2 000 inhabitants into administrative structures under the supervision of government was stripping the relevant municipal councils of their political substance. And last but not least, there was no effective judicial protection of local self-government, as the right of local authorities to lodge complaints with the courts to secure the free exercise of their powers was almost non-existent.

It was, however, crucial that the basic European standards remained a point of anchorage. While it was understandable that governments were taking measures to reduce public debt, the very principle of local self-government must not be undermined by such measures. The principles enshrined in the European Charter of Local Self-Government should not be interpreted differently depending on the economic context.

The rapporteurs had sought in their draft recommendation to provide guidelines for correcting this policy of recentralisation. It was vital to revise the Cardinal Act in order to guarantee explicitly the principle of local self-government. It was also necessary to revise the powers assigned to local authorities, along with concomitant financial resources, in order to restore a degree of trust in the local level. The process for consulting local authority representatives on all issues affecting them should be formalised on the basis of criteria set out in the Charter. The Hungarian authorities were also called on to revise the legislation so as to ensure that local authorities had a real right of appeal when their interests were threatened.

The conclusions of the report might seem severe for Hungary. However, he trusted that Hungary would wish to honour the commitments stemming from the ratification of the Charter and the additional protocol and show the political will to implement European standards. He hoped that the political dialogue with the Hungarian authorities would continue in the context of a post-monitoring process.

The PRESIDENT opened the debate.

Andreas GALSTER (Germany, L, EPP/CCE) said that the German delegation agreed with Mr Torres Pereira. The position of local authorities in Hungary had to be brought into line with the European Charter of Local Self-Government.

György ILLES (Hungary, L, ILDG) spoke on behalf of the Hungarian delegation. He thanked the rapporteurs and everyone involved in the preparation of the report. They had had a difficult task because the Congress' last report had been prepared 10 years earlier and especially because the Congress delegation had visited the country while the legislative and administrative reforms were being carried out. Overall, the report was well founded, but he wished to make some remarks.

The rapporteurs had expressed concerns about the system of local self-government. The Hungarian delegation was sometimes of a different point of view. For instance, the rights of local authorities were protected. Local authorities could appeal to the courts if central government impinged on their rights. The exercise of these rights was protected by the Constitutional Court.

As far as the financial autonomy of local and regional authorities was concerned, they were able to levy local taxes, namely property taxes, municipal taxes and turnover taxes. Under the Fundamental Law, they had the right to receive funding for the performance of their tasks. The collection of national taxes such as vehicle tax and land tax generated income for local authorities. The Hungarian delegation therefore believed that the European Charter of Local Self-Government was complied with in this respect.

He nevertheless congratulated the rapporteurs and asked them to take account of the eight amendments which had been tabled to improve the draft recommendation.

Emilio VERRENGIA (Italy, L, EPP/CCE) congratulated the rapporteurs. The report followed a visit to Hungary by the Congress in May 2012 and referred to the ratification in 2010 of the additional protocol to the European Charter of Local Self-Government. The report indicated the progress made by the Hungarian government in various areas.

Nevertheless, it was vital to comply with the provisions of the Charter, in particular those concerning the consultation of local authorities. The report also highlighted an absence of legal protection for the rights of local authorities. The reforms to be carried out in Hungary should take account of the recommendations proposed by the rapporteurs. In particular, the principle of financial autonomy of local authorities was vital as a means of enabling them to meet the public's expectations.

The Congress should keep a particularly watchful eye on the reforms in progress in Hungary. The Hungarian government had to be urged to comply with the recommendations set out in the report.

The PRESIDENT asked the rapporteurs to respond to the various contributions.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, thanked Mr Galster and Mr Verrengia for their support. Financial autonomy was indeed one of the key principles of the European Charter of Local Self-Government and was vital to the exercise of local and regional authorities' powers. But financial autonomy could not be guaranteed if the eight paragraphs of Article 9 of the Charter were not complied with.

He also thanked Mr Illes for his comments. He had said that the Hungarian delegation had a slightly different opinion from the rapporteurs on certain aspects. That position was perfectly understandable. However, the rapporteurs' position was not based on personal opinions but on facts.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, also thanked the speakers who had supported the report. It should be noted that the explanatory memorandum did include many references to good practices observed in Hungary.

Moreover, the presentation of the report to the Congress had been postponed several times to take account of all the observations submitted by the Hungarian authorities. The recommendations set out in the report were similar to those in other reports presented to the Congress. They were based on the text of the European Charter of Local Self-Government.

The PRESIDENT proposed that the Congress consider the draft recommendation, to which eight amendments had been tabled. The amendments would be considered in the order in which they applied to the text rather than according to their number.

Anna MAGYAR (Hungary, R, EPP/CCE) said that Amendment No. 1 was to delete sub-paragraph 4.a. and renumber the subsequent sub-paragraphs accordingly. The Fundamental Law specifically provided that local governments in Hungary were established to administer public affairs at local level. The Fundamental Law also provided that local governments were entities of citizens which had to administer their affairs democratically. Hungary was careful to ensure the compliance of its national legislation with international standards.

The PRESIDENT said there were no objections to the amendment.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), was against the amendment. Even though some principles were set out in the main texts in Hungary, the points mentioned in the report were not enshrined in either the Cardinal Act or the constitution.

Lars O MOLIN (Sweden, L, EPP/CCE), in his capacity as Chair of the Monitoring Committee, agreed with the rapporteur.

The PRESIDENT put Amendment No. 1 to the vote.

Amendment No. 1 was rejected.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, presented Amendment No. 7, which was the result of a discussion with the Hungarian delegation. It was to amend sub-paragraph 4.b to state that recentralisation had led to a considerable reduction of competences previously assigned to local authorities rather than to their abolition.

The PRESIDENT said there were no objections to the amendment.

Lars O MOLIN (Sweden, L, EPP/CCE) was in favour of the amendment.

The PRESIDENT put Amendment No. 7 to the vote.

Amendment No. 7 was adopted.

Anna MAGYAR (Hungary, R, EPP/CCE) presented Amendment No. 2. Sub-paragraph 4.c said that the financial autonomy of local authorities was not respected, whereas the Hungarian delegation believed it was more appropriate to say that it was not fully respected. The Fundamental Law did provide that local authorities could set their budgets and manage their finances accordingly. Local authorities had their own taxes. The national budget also allocated funding of an amount set by parliament, which local elected representatives were responsible for managing.

The PRESIDENT said there were no objections to the amendment.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, said that none of the eight paragraphs in Article 9 of the Charter was complied with. Local authorities did not freely dispose of resources of their own and did not set the rate of local taxes. The latter also did not represent a significant share of their resources. Local authorities were not able to diversify their sources of financing so as to ensure their ability to perform their tasks. There were no financial equalisation procedures to correct inequality in sources of financing. The sums allocated to local authorities were earmarked. Lastly, local authorities did not have access to the financial market. Local authorities did not have financial autonomy and members should therefore vote against Amendment No. 2.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, agreed with Mr Torres Pereira.

Lars O MOLIN (Sweden, L, EPP/CCE) supported the position of the rapporteurs.

The PRESIDENT put Amendment No. 2 to the vote.

Amendment No. 2 was rejected.

Anna MAGYAR (Hungary, R, EPP/CCE) presented Amendment No. 3. Sub-paragraph 4.f said that there was “no effective legal remedy which fully guarantees the protection of local self-government”. She proposed alternative wording which underlined the weakness of the legal remedies. Appeals were possible, but the possibility was limited and could be improved. The law on local self-government provided that the Constitutional Court co-ordinated the protection of the exercise of local governments’ powers. The constitution mentioned the existence of this legal remedy.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, said that the two rapporteurs were against the amendment. If there was no effective legal remedy, it could be concluded that there was no real possibility of legal remedy.

Lars O MOLIN (Sweden, L, EPP/CCE) agreed with the rapporteurs.

The PRESIDENT put Amendment No. 3 to the vote.

Amendment No. 3 was rejected.

Anna MAGYAR (Hungary, R, EPP/CCE) said that Amendment No. 4 was to delete sub-paragraph 5.a on guaranteeing the principle of local self-government. In view of the text which she had already quoted, there was no justification for the sub-paragraph.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, was against the amendment for the same reasons as in the case of Amendment No. 1. The principle of local self-government needed to be explicitly enshrined in the Cardinal Act and the constitution. The rapporteurs therefore recommended that the Cardinal Act be revised.

Lars O MOLIN (Sweden, L, EPP/CCE) said that it was vital that sub-paragraph 5.a be retained. He was therefore against the amendment.

The PRESIDENT put Amendment No. 4 to the vote.

Amendment No. 4 was rejected.

Anna MAGYAR (Hungary, R, EPP/CCE) presented Amendment No. 5, which was, in sub-paragraph 5.c, to replace “grant local authorities financial autonomy” with “grant local authorities a higher level of financial autonomy”. There already was some financial autonomy, but it could be improved.

The PRESIDENT said there were no objections to the amendment.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE), rapporteur, said that he was against the amendment. The eight paragraphs in Article 9 of the Charter were not complied with, so it was inaccurate to talk about a certain degree of financial autonomy. The latter did not exist.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, confirmed that he was also against the amendment.

Lars O MOLIN (Sweden, L, EPP/CCE) supported the position of the rapporteurs.

The PRESIDENT put Amendment No. 5 to the vote.

Amendment No. 5 was rejected.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, presented Amendment No. 8, which had been tabled by the rapporteurs in agreement with the Hungarian delegation. It was to add the term “in practice” in sub-paragraph 5.e concerning the consultation of local authorities.

The PRESIDENT said there were no objections to the amendment.

Lars O MOLIN (Sweden, L, EPP/CCE) was in favour of the amendment, which he believed was a good compromise.

The PRESIDENT put Amendment No. 8 to the vote.

Amendment No. 8 was adopted.

Anna MAGYAR (Hungary, R, EPP/CCE) said that Amendment No.6 concerned sub-paragraph 5.f concerning judicial remedies. It was to replace “with an effective judicial remedy” with “with a more effective judicial remedy”. A judicial remedy did exist, but it was not effective enough.

The PRESIDENT said there were no objections to the amendment.

Devrim ÇUKUR (Turkey, R, SOC), rapporteur, said that the two rapporteurs were against the amendment for the same reasons as with Amendment No. 3. No effective judicial remedy currently existed.

Lars O MOLIN (Sweden, L, EPP/CCE) also said the amendment should be rejected.

The PRESIDENT put Amendment No. 6 to the vote.

Amendment No. 6 was rejected.

The PRESIDENT proposed that the Congress vote on the recommendation as amended. A two-thirds majority was required to adopt it.

The draft recommendation set out in Document [CG(25)7], as amended, was adopted.

The PRESIDENT thanked the rapporteurs and the authors of the amendments.

13. AWARD OF THE CONGRESS MEDAL TO AN HONORARY MEMBER

The PRESIDENT said that the next item on the agenda was a very special ceremony, namely the award of the Congress medal to an honorary member, Halvdan Skard, former President of the Congress.

He wished to underline the vital contribution Halvdan Skard had made to the Congress of Local and Regional Authorities. Mr Skard had been a model for everyone, regardless of people's political affiliations or nationalities. He had often been consulted by his colleagues. His active efforts to promote local and regional democracy had been well known, as demonstrated by his long career within the Congress and elsewhere. Having been a member of the municipal councils of Stavanger and then Bærum, he had become President of the Norwegian Association of Local and Regional Authorities. In 1988, he had become a member of the Congress of Local and Regional Authorities and had then become chair of the Norwegian delegation in 1992. As a trained historian, he had also held national offices such as State Secretary in the Norwegian Ministry of Culture, Education and Research, which was also responsible for church affairs.

Halvdan Skard had held many posts and played a leading part within the Congress of Local and Regional Authorities. He had been a member of the Congress Bureau for 18 years. Particular reference should be made to his terms as President of the Chamber of Local Authorities and then President of the Congress. Many Congress members had had the pleasure of working in the Congress under his presidency and were particularly grateful to him for his wise advice. In 2010, in his capacity as President of the Congress, Halvdan Skard had won the Emperor Maximilian Prize awarded by Tyrol and the city of Innsbruck for his outstanding work promoting the European Charter of Local Self-Government. It was this work that was now enabling the Congress to celebrate the anniversary of the Charter and its ratification by the 47 member states of the Council of Europe.

However, the importance of the medal being awarded by the Congress was only relative and should not overshadow the high esteem and friendship with which Congress members regarded Halvdan Skard. He would now be an honorary member of the Congress.

Halvdan SKARD, Norway, former President of the Congress, thanked the President for his words of friendship. He was deeply honoured to receive the Congress medal and the title of honorary member. At this session, the Congress was celebrating the 25th anniversary of the European Charter of Local Self-Government, which all member states had at last ratified. He had joined the Congress in 1988, the year when the Charter had entered into force. He had therefore been able to witness the

Charter being put into practice from the outset to the present day. He admitted that in 1988 he had been sceptical about the future of the text and had wondered whether it was not just another symbol without any practical value. He had, however, quickly realised that the Charter was having a growing impact. Over the years, new democracies had adopted it as a legal basis. The Charter had also furthered the development of local and regional democracy in the older democracies. The various monitoring exercises had, however, shown that ratification did not mean the immediate and complete application of all the provisions in the Charter. He gave the example of Norway, which had been a democracy since 1814 and where local democracy had been provided for by law since 1837. Even now, however, the Norwegian constitution still did not include any reference to local and regional democracy.

Many challenges still had to be taken up in the field of local democracy. For instance, it was necessary to improve the funding of local authorities and the distribution of powers, increase the legal safeguards against excessive central government supervision, ensure consultation with local authorities and combat corruption. He was in favour of real devolution of powers, with the proper delegation of responsibilities in terms of public services to local and regional elected representatives. He therefore wanted the Congress to continue further developing the Charter, as had already been done with the additional protocol on participation. At the same time, greater monitoring of the application of the Charter had to be carried out, with local election observation exercises being included in the process.

Through the Bureau and the committees, the Congress dealt with very many issues relating to local and regional authorities. The large number of issues addressed should perhaps be looked at. For instance, one member of the Congress had proposed that the Culture and Education Committee conduct an inventory of all the public fountains in European cities, which had not been of any obvious usefulness. He was therefore pleased that the Congress had set clear priorities. During his time at the Congress, he had sought to ensure that it take a clear stance and become a major partner of the Council of Europe. He was also proud to see that the representation of men and women had become more balanced.

In conclusion, he said that taking part in the Congress' work had been particularly interesting and instructive for him. He had been able to maintain a constructive dialogue with men and women from different political parties whose common goal had been to strengthen local democracy, freedom of expression and the rule of law. He had established faithful friendships throughout Europe and across all political divides. Leading the work of the Congress had been both an honour and a privilege. He wished to thank all those who had helped in the task: the vice-president, all the delegates and, in particular, the Secretariat. The Congress' success in its tasks owed a lot to the Secretariat's outstanding contribution.

The Congress had now become a vital body within the Council of Europe. He was leaving the Congress full of optimism about the future of the institution.

The Assembly rose to applaud Halvdan Skard.

The President awarded the Congress medal to Halvdan Skard.

14. CLOSE OF THE SITTING

The PRESIDENT invited Congress members to attend the reception being hosted by the Congress, the town of Andorra la Vella and the permanent delegations of Andorra, Monaco and San Marino to celebrate the ratification of the European Charter of Local Self-Government by the 47 member states of the Council of Europe.

The Chamber of Regions and the Chamber of Local Authorities would sit the next day from 9.00 to 12.00. The next plenary sitting of the Congress would be the same day at 14.30.

Agreed.

The sitting rose at 18.47.

SITTING OF THE CHAMBER OF REGIONS**WEDNESDAY 30 OCTOBER 2013 at 9.00**

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1. Opening by the President of the Chamber

The sitting opened at 9.08 with Nataliya Romanova (Ukraine, ILDG), President of the Chamber of Regions, in the chair.

The PRESIDENT declared the 25th Session of the Chamber of Regions open, in accordance with Rule 17.1 of the Rules of Procedure of the Congress. She welcomed all the members of the Chamber. The agenda was particularly full. The discussions on Europe in crisis would continue as it did seem essential to strengthen regional authorities in order to counter the effects of the crisis.

2. Adoption of the draft agenda of the Chamber

[CPR(25)OJ1PROV]

The PRESIDENT asked the members whether they wished to comment on the draft agenda set out in Document [CPR(25)OJ1PROV].

No comment was made.

The draft agenda was adopted.

3. Communication by the President of the Chamber

[CPR(25)1]

The PRESIDENT said that a round table session had been held at the last session on regionalisation and devolution in Europe in the context of the economic crisis. The themes addressed included the impact of the crisis on the regionalisation process, the response of regional authorities to economic difficulties and the tendency in the regions towards nationalism. Bruno Marziano and Marie-Madeleine Mialot Muller had spoken as the rapporteurs on regions with special status in Europe and on regionalisation in the Council of Europe member states. During the day's sitting, the Chamber would debate the outcome of the round table. The President said that particular attention should be paid to the regionalisation process. Regions should be helped to be more efficient through improved management, and the sources and consequences of regional nationalism should be investigated. In a period of crisis, it was essential to co-ordinate efforts between the national and regional levels. All the instruments making it possible to increase co-operation between different tiers of government should therefore be looked into.

At the beginning of her term of office, the President had wanted to highlight the political developments at regional level in Europe. As a result, the Chamber had discussed various political events such as the initiatives of the Catalan parliament, the forthcoming referendum on independence in Scotland and the project to establish an Alsatian territorial authority. The Chamber had also considered the results of the regional elections in the Czech Republic, Italy, Portugal, Spain, Austria, Germany, Denmark, Croatia and the Russian Federation.

The Chamber of Regions worked closely with the European associations of regional authorities. Accordingly, representatives of the Chamber had taken part in several of these associations' assemblies including those of the Association of European Border Regions – whose President, Mr Lambertz, the President took this opportunity to thank for his outstanding work –, the Conference of European Regional Legislative Assemblies (CALRE) and the Assembly of European Regions (AER). The President welcomed Sonja Steen, the Chair of the Committee on Culture, Education, Youth and International Cooperation of the Assembly of the AER, who was the rapporteur invited by the Chamber of Regions for the debate on regionalisation. In 2013 the AER had held a summit in Paris on the regions' response to the crisis and another summit on the Black Sea, in which the President had taken part and exchanged information on the activities of the AER and the Chamber of Regions. The Chamber would like to increase its co-operation with all these associations.

The Chamber of Regions had itself contributed to many events held in 2013. A complete list of these events is set out in document CPR(25)1.

The Chamber would continue to contribute to Congress priorities for the period from 2013 to 2016 in close co-operation with all the relevant partners. Regional democracy and regionalisation were

the major political challenge that the Chamber had to meet. The Congress was carrying out an in-depth analysis of regionalisation trends in Europe. There were also moves towards greater regional autonomy in various European countries and the Chamber of Regions could make a genuine contribution to the quest for solutions in this sphere.

As nobody wished to speak, the President called the next item on the agenda. Members could, however, submit a written statement to be incorporated into the minutes.

4. Migrants' access to regional labour markets

[CPR(25)3PROV] (RES ET REC)

The PRESIDENT announced that the rapporteur, Deirdre McGowan (Ireland, ILDG) could not attend this session. Inger Linge (Sweden, EPP/CCE) would present the report on migrants' access to regional labour markets.

Inger LINGE (Sweden, EPP/CCE) said that the rapid increase in cultural diversity in Europe raised questions about the integration of migrants into host societies and their participation in economic development.

Europe's migrant population varied in many respects, including ethnic or national origin, length of residence and skills. Migrants could contribute considerably to regional economies and this was essential during economic crises. In 2011, over 33 million migrants had been living in the European Union. Over 20 million of these were third-country nationals and most were old enough to work. Before the economic crisis, third-country nationals had contributed to a about a quarter of the overall rise in employment in Europe. However, during the crisis, the situation of migrants had deteriorated faster than that of natives. According to the OECD's 2013 International Migration Outlook, a rise in the employment rate of migrants to the same level as natives would help to generate significant economic returns. However, migrant human capital was widely underexploited for several reasons including the lack of recognition of foreign qualifications, the complexity of procedures to obtain a work permit and discriminatory attitudes towards foreign nationals applying for work.

In many European countries, regional authorities had substantial powers in the area of access to the labour market and employment regulations. They related, for example, to evaluating qualifications, issuing work permits, employment conditions and vocational training. Regional authorities also had considerable latitude when implementing national or European standards relating to the integration of migrants. The challenge was to create the specific conditions which would enable migrants to get into the labour market or to create their own company.

However, in a number of regions, even highly qualified immigrant workers faced problems with integration in the work sphere. It was essential for them to be able to play a part in society and its economic development. Integration through employment would lead to improved social cohesion and would bring many advantages such as a decrease in social assistance costs. Various measures needed to be taken to promote migrant access to the labour market and to self-employment. These should form part of an overall strategy for social and economic development and be guided by principles of non-discrimination and respect for human rights. Integration policies had to take account of traditional integration measures and combine them with measures to combat discrimination as well as fostering intercultural relations and improving diversity management.

The report contained several proposals, subdivided into various categories. The first category related to the administrative and legal framework and the co-operation between the various partners. It was recommended to review employment policies for migrants and mainstream them into regional economic development plans in co-operation with local authorities, civil society and other stakeholders. Better co-ordination was needed between the various stakeholders to implement these regional plans. The report also recommended improved communication with immigrant worker communities. Working with migrants' associations made it possible to map the employment and self-employment situation of immigrant populations.

The second category of proposals related to employment regulations. For instance, it was recommended that procedures for the evaluation of qualifications should be simplified, particularly for medium or highly-skilled migrants. Procedures for obtaining work permits should be reviewed and

national governments should consider lifting or shortening the duration of work restrictions for refugees and asylum seekers. Bureaucratic hurdles to employment should be reduced and, where applicable, requirements for job offers such as language requirements should be reviewed. Increased labour mobility also seemed essential and this required greater co-operation between the regions.

The third category of recommendations related to recruitment and the working environment. The report recommended that regional authorities should adopt non-discriminatory regional employment legislation. It also advocated developing intercultural policies to improve dialogue between migrants and the host community and combat prejudice when hiring migrants. Regional government staff could be given training to improve their intercultural skills and promote respect for diversity. Regional authorities were increasingly called on to adopt inclusive hiring practices to ensure that the migrant population was represented among the staff employed by regional public institutions. The report also contained proposals regarding assistance for migrants.

In conclusion Inger Linge said that the measures suggested in the report should be devised in close co-operation with migrant communities, particularly with the leaders of the various religious, cultural and ethnic groups. More generally speaking, citizen participation in public policies was essential and this extended to the participation of migrants.

The PRESIDENT thanked the speaker and opened the debate.

Manuela MAHNKE (Germany, SOC) pointed out that poor integration of migrants in the labour market caused many social and economic problems. Recognising migrants' professional skills, which were often acquired abroad, would be a way of showing that they were welcome in the country where they wished to live. In spring 2012, the German federal government had adopted a law on the recognition of professional skills for all regulated professions. Qualifications acquired abroad were taken into account on the basis of clearly established criteria. Various *Länder* had followed this example and adopted their own regional legislation on the issue.

For instance in the *Land* of Bremen, the parliament was currently examining a bill which granted a general right of access to a procedure for the recognition of qualifications. An individual examination of qualifications acquired abroad took place within three months. Slight shortcomings with regard to the criteria set could be offset by work experience. If the procedure concluded that the applicant did not meet the conditions to practice the profession concerned, clear explanations had to be supplied. The possibility was open to everyone irrespective of their nationality, their place of residence or their type of residence permit. An independent office would assist applicants throughout the procedure.

The law on the recognition of skills helped to pave the way for improved integration of migrants on the regional labour market. However, it was only one of the many measures that were necessary to foster the true integration of migrants. The resolution and recommendation which had been put before the Chamber of Regions were relevant and the members should approve them.

Sergey LISOVSKY (Russian Federation, SOC) said that in Russia, there were still considerable problems to be overcome in this area. The legislation was favourable to highly qualified migrants who could find a job. There were various programmes to help them find work, particularly in technology parks. Furthermore many migrants would come to work at the Olympic Games in Sochi. The aim was not just to integrate migrants, however. They also had to make a contribution to the host country so that it did not have too heavy a burden to carry.

In the region which Sergey Lisovsky represented, agriculture was the main source of income and migrants could come and work in the agricultural sector. Relations had been established with the ambassadors of Uzbekistan and Tajikistan to encourage them to explain to candidates what the host country's concerns were. Migrants could come and work in agriculture for about half a year but then they had to return to their country of origin. Diasporas had a particularly important role to play in all of this. Each had their unofficial leaders, who assisted migrants and helped them to understand Russia's specific features. The experience had been particularly positive with Chinese immigrants, many of whom were taken on as seasonal farm workers.

Marie-Madeleine MIALOT MULLER (France, SOC) raised the question of migrant workers' vocational training. One particular aspect of immigration was that relating to highly qualified migrants. France was currently finding it difficult to recruit its own doctors and so it was bringing in foreign doctors. The first issue which arose here was the equivalence of qualifications. Even though there were procedures, much progress could be made in this area. The second challenge was the urgent need to learn the language of the host country, which was crucial. Lastly, there was a specific problem encountered by migrant workers who had sometimes been employed in companies in France for many years but were then dismissed. At this point it was often found that these workers were illiterate. It was important, however, to distinguish between those that had learnt to read and write in the language of their own country and those that were entirely illiterate. Most of these migrant workers had never attended any of the vocational training offered by the company. These persons should be given access to means of learning French. With this goal in mind, the Regional Council of the Centre region had set up free 30-hour training courses in the evening and the day, aimed at helping migrant workers to learn to read, write and count in French and learn the rudiments of the French language. This type of training was conducive to integration.

The PRESIDENT thanked the speakers and closed the debate.

Inger LINGE (Sweden, EPP/CCE) noted that the examples cited proved that this report related to a key subject. She hoped that the discussions would continue later.

The PRESIDENT thanked Ms Linge for presenting the report and called Mr Mukhametshin, Chair of the Current Affairs Committee.

Farid MUKHAMETSHIN (Russian Federation, ILDG) said that the Current Affairs Committee supported the report.

The PRESIDENT congratulated the members of the Current Affairs Committee on the preparation of this report. She suggested moving on to the draft resolution, to which an amendment had been tabled.

Bruno MARZIANO (Italy, SOC) presented the amendment, whose aim was to invite the regional authorities to set up co-ordination systems to enhance the measures referred to in paragraph 9 of the resolution. It would also be beneficial to establish a network connecting all the offices of the regions concerned so that they could exchange information and experiences. The amendment read as follows: "The Congress invites regional authorities of the Council of Europe member States to establish, within their administrative structures, designated offices or units entrusted with co-ordinating the implementation of the measures listed in paragraph 9 of this resolution."

The PRESIDENT said that there were no objections to the amendment. She invited the rapporteur's representative, Ms Linge, to make her views known on the subject.

Inger LINGE (Sweden, EPP/CCE) was in favour of the amendment as she felt that it strengthened the provisions of paragraph 9.

Farid MUKHAMETSHIN (Russian Federation, ILDG), speaking in his capacity as the Chair of the Current Affairs Committee, said that he was also in favour of the amendment.

The PRESIDENT put the amendment to the vote.

The amendment was adopted.

The PRESIDENT put the draft resolution, as amended, to the vote.

The draft resolution set out in Document [CPR(25)3PROV] was adopted as amended.

The PRESIDENT put the draft recommendation to the vote. She pointed out that a two-thirds majority was required to adopt the recommendation.

The draft recommendation set out in Document [CPR(25)3PROV] was adopted.

The PRESIDENT welcomed the adoption of this report, which contained very detailed guidelines for regions attempting to act to improve the employment situation of migrants. This would certainly remain a highly topical issue in forthcoming years.

5. Regions and territories with special status in Europe

[CPR(25)2PROV] (RES et REC)

The PRESIDENT said that the report on regions and territories with special status in Europe had been examined by the Governance Committee. The report went beyond simply describing the features of these regions, setting out practical measures that could be taken in this field.

Bruno MARZIANO (Italy, SOC), rapporteur, said that the report stemmed from the observation that a large number of Council of Europe member states contained regions with special status, which had wider administrative and financial powers than other regions in the same state. They were established to meet particular needs linked to factors such as their history, language and culture without challenging the overall state structure. Frequently, these arrangements had served as a means of countering secessionist tendencies.

The report was based on a comparative analysis of various regimes across Europe. It showed that the principles of regional democracy were more fully guaranteed in special status regions than in others. The draft resolution noted that a number of Council of Europe member states had granted special status to some regions as a means of addressing their specific identities and the desire of their people to have a greater say in the management of their own affairs. The study carried out by the Congress showed that such regions often had stronger and more effective regional democracy than others and that they could provide a model for others to follow provided that certain conditions were met. It was essential, for example, that competences were clearly delimited and that relations with central government were well defined.

The draft resolution provided that, in view of the persistence of regional conflicts in some member states, there was scope for specific constitutional arrangements for regions with strong identities. The Congress was convinced that special regional autonomy status could act as an effective counterweight to secessionist tendencies and that Europe's peaceful development and prosperity depended on the resolution of internal conflicts. These advances would only be possible if there was political will to pursue dialogue and negotiate suitable legal and constitutional solutions. The goal, for the regions concerned, should be to develop satisfactory models of decentralised democratic governance.

The report proposed that the Congress should work with the Committee of Ministers and the Venice Commission to identify those characteristics of regions with special status which were marks of their success. It would then be possible to devise practical models of such status. It should also be ascertained whether assigning legislative powers to specific regions could be regarded as a factor that was conducive to successful regional development. As part of the monitoring carried out in member states to check that they were implementing the European Charter of Local Self-Government, the Congress could assess the functioning of existing special status arrangements. In this context, it should investigate whether granting special status could help to reach negotiated settlements in the conflicts in some member states. It would be a good idea for the Chamber of Regions to hold a regular review of these issues.

The draft recommendation recognised that Europe's strength lay in the vast range of constitutional and political systems it had devised to accommodate its territorial diversity. Its peaceful development and prosperity depended to a large extent on preventing and settling the conflicts on its territory and this implied developing satisfactory models of decentralised democratic governance for regions with specific characteristics. Special regional autonomy status could act as an effective counterweight to secessionist tendencies. It was also worth noting that for certain regions special status had brought stability and prosperity. The draft recommendation therefore requested the Committee of Ministers to invite the member states to make more use of the special status model, which could be a realistic option for a negotiated solution to regional territorial issues, including frozen conflicts. Special regional status could also help to address the territorial issues faced by countries

with which the Council of Europe was co-operating in the context of its policy towards neighbouring regions.

The PRESIDENT thanked Mr Marziano and opened the debate.

Farid MUKHAMETSHIN (Russian Federation, ILDG) said that Mr Marziano's report was very constructive and he entirely agreed with the rapporteur's conclusions. This was an important issue in many European countries. The Republic of Tatarstan, which Farid Mukhametshin represented, was cited in the report. The status of the various subjects of the Russian Federation was described in the Russian Constitution, which dated from the beginning of the 1990s, and had been the result of much negotiation. Many territories had wanted to be granted a degree of autonomy and not all had succeeded in obtaining it, but the Republic of Tatarstan had. In 1997, it had concluded an agreement with central government under which certain powers were delegated to it, and under a second agreement, signed by President Putin, it had been assigned still more powers and responsibilities. When there was a clear distribution of powers, territories enjoyed a degree of stability, which helped them to achieve practical results and foster economic development. The Republic of Tatarstan was a perfect illustration of this as it was achieving excellent results in terms of economic performance. Article 11 of the Russian Constitution described the various statuses of the regions, and agreements negotiated with central government helped to soothe any tensions. Farid Mukhametshin invited all the member states to take inspiration from this example and said that he supported the draft resolution.

Anar IBRAHIMOV (Azerbaijan, EPP/CCE) said that the subject of the report was highly topical and very practical. He thanked the rapporteur for his outstanding work. Anar Ibrahimov represented the Nakhchivan Autonomous Republic, which had been granted special status within Azerbaijan. The specific characteristics of this territory were described in the report. Nakhchivan had been autonomous for ninety years and this had secured the region's sustainable development. It was true that special autonomous status could help to counter secessionist tendencies and find practical solutions to various regional problems. The approach was particularly beneficial in the case of frozen conflicts. In Azerbaijan, there was a frozen conflict as the territory of Nagorno-Karabakh was occupied. Negotiations were under way to attempt to find an outcome and Azerbaijan had proposed that the territory should be granted special status.

Anar Ibrahimov welcomed the work that had been done on this subject in the Congress. He suggested that the working group on regions with legislative power should be set up again to think about new bodies which could arise such as regions with special status.

The PRESIDENT said that this question would continue to be examined regularly by the Chamber of Regions given its importance. She called the rapporteur again.

Bruno MARZIANO (Italy, SOC), rapporteur, thanked the expert, Mr Palermo, with whom he had prepared this report, and also all the other experts who had contributed to it. There were three different statuses for a state: the centralised unitary state, in which regions had ordinary powers, the state containing regions with special status, and the federal state. When conflicts arose between a region and a state, granting special status could help to resolve the conflict while making it possible for the region to assert its specific characteristics. Bruno Marziano himself came from a region which had expressed separatist desires after the Second World War. The Italian state had granted it special status and that had helped to restore a degree of unity.

The PRESIDENT thanked Mr Marziano for his report, which made a major contribution to the debate. She invited the Chair of the Governance Committee to talk on the subject.

Karl-Heinz LAMBERTZ (Belgium, SOC) welcomed the work of the rapporteur and the expert, Professor Palermo. The report followed on from the work carried out previously by the Chamber of Regions with the aim of drawing up a charter of regional-self-government. This had not come to fruition and had ultimately evolved to become the Reference Framework for Regional Democracy. Work had also been carried out by a working group tasked with investigating regions with legislative power.

This subject was very relevant. Regularly in Europe, conflicts arose which were closely linked to the issue of regions with special status or regionalisation in general. This was a very delicate

subject area, in which, in extreme cases, national sovereignty and the principle of non-interference in states' internal affairs were pitted against the right of peoples to self-determination. In this context, it was difficult for an international institution to do constructive work which was not regarded by one side or the other as a betrayal. The report was a very high quality one, which contributed a great deal to the discussion. Another report on regionalisation in general was shortly to be presented to the Chamber. The Congress and, above all, the Chamber should continue its work in this sphere, as it could offer solutions, or at least the beginnings of solutions, to problems which might seem insurmountable.

The PRESIDENT closed the debate. She put the draft resolution to the vote. No amendments had been tabled.

The draft resolution set out in Document [CPR(25)2PROV] was adopted.

The PRESIDENT put the draft recommendation to a vote and pointed out that a two-thirds majority was needed to pass it.

The draft recommendation set out in Document [CPR(25)2PROV] was adopted.

The PRESIDENT stressed that this report related to a very topical subject as it concerned the transfer of powers to regional levels and forms of regional nationalism. The Chamber of Regions would debate these issues again in due course. It was essential to arrive at an institutional formula which made it possible to strike the right balance between powers and to prevent potential conflicts. This report made it possible to make progress in this direction.

6. Regionalisation and devolution in Europe in a context of economic crisis: recent developments

The PRESIDENT invited the members of the Chamber of Regions to make their contribution to the round table meeting on regionalisation and devolution in Europe in the context of the economic crisis. This meeting followed in a direct line from the meeting held on 20 March 2013 on the same theme. On this occasion Ms Marie-Madeleine Mialot Muller had emphasised that there was a concern at European level about a degree of instability. The participants had concluded that it was clearly essential to strengthen the regions' institutional and economic role in order to overcome this instability. Economic measures were not enough though; political action was needed. Europe had to show solidarity and the regions could help citizens and open up new prospects to give hope to younger generations.

Following this meeting, it had been decided to focus investigation on the search for means of distributing powers more effectively between the different tiers of government, namely the European, national, regional and local levels, while respecting the principle of subsidiarity. The members of the Chamber of Regions had also decided to look into ways of increasing citizen participation in decision-making processes through the use of new technologies. The discussion had also focused on means of providing for a more efficient distribution of powers and resources as it did seem essential, in this time of budget cuts, to make the most efficient use possible of public funds. The Chamber of Regions had repeatedly expressed alarm at the upsurge of regional nationalism. This problem raised major concerns about the future of Europe. Some thought should be given to the appropriate political response, which should be designed to counteract increasing tensions in times of crisis. The Chamber of Regions' goal was to present proposals in all these spheres.

Today's round table meeting would be an opportunity to discuss various experiments carried out in the field of regionalisation and devolution. The first guest was Natalia Komarova, Governor of the Khanty-Mansi (Yugra) Autonomous Okrug in the Russian Federation. The Russian Federation had set up an exhibition on this district in the entrance hall of the Palais de l'Europe.

Natalia KOMAROVA (Russian Federation, EPP/CCE), Governor of the Khanty-Mansi (Yugra) Autonomous Okrug said that a joint declaration by the Presidents of the Congress of Local and Regional Authorities and the Parliamentary Assembly of the Council of Europe had been presented the previous day at the plenary session. It had highlighted the need to increase co-operation between all the tiers of government to bring an end to the economic crisis. Natalia Komarova wished to talk today about the region she represented, the Okrug of Yugra in the Russian Federation.

In recent years in Russia, 36 new powers had been assigned to the regional level and in Yugra, 22 additional powers had been transferred to municipal level. In order to enable municipalities to perform their tasks, 40% of the regional budget was given over to municipal authorities. The main economic activity in Yugra was the extraction and transport of oil and gas. Yugra was Russia's top electricity-producing region. In terms of housing and pre-school facilities, it was under-equipped compared to the Russian average. The region therefore was redoubling its efforts in the social field, environmental protection, incentives for businesses and the construction of infrastructure. Regional leaders were also keen to create closer links between the authorities and the public by improving the complementarity of the various tiers of government. This complementarity was clearly a key factor in guaranteeing social stability so as to avoid economic collapse in a time of crisis. The measures being implemented took up the suggestions referred to in the Congress report on the responses of local and regional authorities to the crisis.

Several measures had been taken to safeguard jobs. In 2008, the unemployment rate in Yugra had been 7.8%, which was higher than the Russian average. To combat this increase in unemployment, the regional authorities had placed the emphasis on entrepreneurship and promoted the emergence of new businesses. In 2009, there had indeed been a clear increase in the number of businesses created. Small businesses now accounted for nearly 90% of the new jobs in the region, whereas before the crisis they had accounted for only 40%. Over the last five years, the unemployment rate in Yugra had fallen and it was now lower than the Russian average as well as those of Germany, France, the United States and many other countries.

Another series of measures had been designed to attract investors to the territory, particularly through improvements to infrastructure. During the crisis, the budget available for investments had decreased by 5%. Consequently, the regional authorities had sought out new ways of attracting private investment. Over recent years investments in new sectors of activity had been multiplied by seven and this had contributed to the diversification of the economy. Since 2010, there had been a clear increase in investment and in the last six months, it had risen by a quarter, now amounting to some €7.2 billion, meaning that for every rouble of public expenditure, 25 roubles from foreign or Russian private funds were invested in the territory.

The third category of measures related to the efficiency of public spending. Several avenues had been explored. Firstly, the transactions tax had been reduced for investments in the electronic systems sector with a view, for example, to promoting the development of municipal services using electronic means. Another focus had been co-operation with non-profit-making organisations providing social services which contributed to the growth of social entrepreneurship. Lastly, the regional authorities were working with various professional organisations. For example, they made use of crowd sourcing systems, in other words projects financed by the public if they appealed to them. This form of funding was used in particular to improve medical services. It should be recalled that several centuries previously, this had been the geographical area in which the first forms of democracy had arisen. These were the Slavic *veches*, which were a form of territorial self-management. The authorities in Yugra believed that this tradition should be revived and that this would help to stimulate citizen participation in the management of public finances and public supervision of public institutions, as well as fostering community initiatives.

On behalf of the Russian delegation, Natalia Komarova invited the participants to the exhibition sponsored by the Russian authorities. She also invited the members of the Chamber of Regions to visit the region of Yugra.

The PRESIDENT thanked the speaker and congratulated her on all the measures that had been implemented in her region. The exhibition showed traditions that were extremely old, dating from several centuries ago, and the governor was to be congratulated on all the efforts that had been made in her region to perpetuate these traditions. The President introduced Volodymyr Konstantinov, Speaker of the Verkhovna Rada of Crimea, and thanked him for organising the exhibition on the Autonomous Republic of Crimea, which was to be inaugurated that evening.

Volodymyr KONSTANTINOV (Ukraine, ILDG), Speaker of the Verkhovna Rada of the Autonomous Republic of Crimea, presented the Autonomous Republic of Crimea, which had a unique status in Ukraine and even throughout the entire territory of the former Soviet Union. It was the only example of an autonomous republic in the unitary state of Ukraine. However, autonomous entities in a

unitary state were not exceptional in Europe, other examples being the Åland islands and South Tyrol. The history of the Crimea was also linked to that of these territories. For instance, the demilitarisation of the Åland islands, without which autonomy would not have been possible, occurred after the Crimean War (1853-1856). Crimea also had historical features in common with Tyrol because of its population displacements for ethnic reasons.

Crimea was the only true autonomous and democratic entity on the territory of the former Soviet Union. Its autonomy resulted from the self-determination of several ethnic communities. At the 1991 referendum on the subject, 93% of the inhabitants had voted in favour of Crimean autonomy.

Crimea's autonomy had been able to develop thanks to a positive legislative dialogue with the Ukrainian state. Various differences of view had arisen in the process but it had been possible to reach a compromise. Crimea was surrounded by territories whose status posed problems, such as Transnistria or Abkhazia, but one of Crimea's main features was genuine political stability. The Crimean authorities had worked to promote the repatriation of the Tatars, who had originally lived in Crimea, but been displaced at a certain period in its history. Admittedly, economic and political conditions were not easy for some of Crimea's population, but tangible progress had been made. Other countries could most certainly take some inspiration from Crimea's experience.

Crimea had a common history with many European Union countries. Examples were the siege of Sebastopol or the Yalta Conference of 1945. Numerous ethnic and religious groups were present on its territory and Volodymyr Konstantinov invited the participants to visit Crimea to witness how the various components of its population lived together.

Volodymyr Konstantinov was the Chair of the Association of Local Authorities of Crimea, which brought together some 300 local authorities. The economic crisis had of course complicated the problems which Crimea faced. Local budgets had practically run out and Crimea survived mostly on grants and subsidies, but it was attempting to attract investment to its territory and to stimulate local community initiatives. Various budgetary and financial interests could cause conflict between the different tiers of government but the regional authorities attempted to instigate a positive drive. However, at present the lack of funding was curbing initiatives.

Viktor Yanukovich, the Ukrainian President, had launched a constitutional reform programme, setting up a special body, the Constitutional Assembly, to pilot the reform. The preparatory work had involved the regions as well as all the other levels of government. The process had enabled the Crimean authorities to attempt to enhance the autonomous republic's status so as to retain its powers and obtain more autonomy. Under the Law on the Autonomy of Crimea, additional powers should be assigned to the Republic. Volodymyr Konstantinov was convinced that the Crimean authorities would be able to carry out properly all the responsibilities that had been assigned to them. It was particularly important to strengthen this region's autonomy so that it was in a position to respond to the crisis. Volodymyr Konstantinov called on the Chamber of Regions' members to continue their work of investigation into the means by which regional authorities could overcome their problems.

The PRESIDENT thanked Mr Konstantinov for his extremely interesting statement. All of Europe's regions were facing the same problems as Crimea, which was what made this round table meeting and the report presented the previous day at the plenary session by Ms Toce so important. Consultation between central and regional government was a good way of countering the tendency towards recentralisation which was occurring in some countries. During a crisis period, many problems intensified. This was the case, for example, with nationalist movements. The President welcomed Ms Magali Balent from the Robert Schuman Foundation and invited her to talk about the political risks caused by the resurgence of regional nationalist movements and the solutions that could be adopted.

Magali BALENT (France), Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, thanked Mr Denis Huber for inviting her to this session of the Chamber of Regions. Magali Balent was a political science researcher, who worked on regionalism and the untoward effects of regionalism in Europe. She was particularly interested in western European regions, such as Catalonia, Flanders and Scotland. Regionalist tendencies there were leading to desires for independence, perpetuated by parties who had recently been gaining substantial scores in elections. These parties were now benefiting from significant media coverage. For instance, in September 2013, the pro-independence parties in Catalonia had organised a 400-km-

long human chain extending from the north to the south of Catalonia to put over their ideas. Events like this were covered extensively by the media.

It was clear that the source of these pro-independence forms of regionalism lay much further back in time than the current economic and social crisis. They had developed in regions characterised by a strong sense of identity, in societies which thought of themselves as autonomous communities. These regions had a distinct culture, institutions and territory and the feeling to a certain degree that they could be self-sufficient. They saw themselves as nations without a state. Their drive for independence was based on a number of markers of identity such as language in Catalonia and Flanders, or culture, as was the case in particular in Scotland, where there was a distinct cultural identity based among other things on the Presbyterian religion as opposed to the Anglican religion, which predominated in the rest of the United Kingdom. The education system and the judicial system were also different in Scotland to the systems in the rest of the UK. Marks of identity could also be historical. These regions lay claim to a particular history, which was often marked by conflicts with the central state. For example, Artur Mas, the leader of the party *Convergència i Unió* in Catalonia, wanted to hold a referendum on Catalan independence on 11 September 2014, which was the date of the three-hundredth anniversary of the fall of Barcelona to the troops of Philip V of Bourbon in 1714. This episode had marked the end of Catalan autonomy at the hands of Spanish absolutism.

These regions all had varying degrees of autonomy which were enshrined in the constitution of their countries, encompassing both fiscal and political autonomy. For instance, in each of these regions there was a parliament which adopted specific legislation.

Even though this was therefore quite clearly a historic phenomenon, the current crisis strengthened pro-independence sentiment because it caused the central state to impose a far higher financial levy on the regions. These regions did enjoy a certain degree of wealth compared to the other regions of the same state, meaning that they were more highly taxed. As a result they felt that they were "paying for others" whereas other regions could take advantage of the systems of redistribution set up by the central state. The economic and social crisis therefore fuelled criticism against the "predatory centre" and the idea was spreading that the region would be financially and economically better off if it was independent.

This conflict between regions and central governments could also be found at European Union level between states and the European Union. In the European Union there was currently a breakdown in solidarity and a tendency for some states to retreat into themselves. This feeling of Euro-scepticism was similar to the separatist trends that existed at sub-national level. There were clear common features between the two phenomena.

If we looked at the challenges for Europe that these secessionist desires represented, the question gave cause for concern. No European treaty to date made any provision for the splitting of a state, and hence for the future of any state created by such a split with regard to European Union membership. Article 4.2 of the Treaty on European Union stipulated that the Union was required to comply with the essential functions of states, particularly those whose aim was to secure territorial integrity. On the face of it therefore, the European Union could not acknowledge a secession and hence the creation of a new state. There was no precedent for this in the European Union, unlike the Council of Europe, where the principle of accession by consent had already been applied. This legal vacuum accounted for the contradictory statements of European leaders on the subject. For example, whereas Viviane Reding, the Vice-President of the European Commission, had stated that there was no law which said that Catalonia would have to leave the European Union if it became independent, the Competition Commissioner, Joaquín Almunia, had stated the opposite. The leader of the Scottish National Party, Alex Salmond, had asserted for his part that Scotland would remain a member of the European Union in any case if it gained its independence. It should be noted that all these regionalist parties openly declared themselves to be pro-European and did not plan to leave the European Union.

It was reasonable to question though whether independence was what the people of these regions really wanted. According to opinion polls carried out in Scotland, Catalonia and Flanders, it was currently only a minority which wanted independence, except in Catalonia, where the last opinion poll had indicated that 51 or 52% might be in favour of independence. In the other regions, there was reason to think that the push for independence might be being used as a weapon intended to obtain institutional concessions in a context of political confrontation between the region and central

government. It was worth considering therefore whether it might not be wiser to think about alternative solutions.

In this context, Magali Balent considered that the discussions being held in the Chamber of Regions were taking the right direction. The idea of increased autonomy was probably the preferable solution, firstly because it was not certain that the majority of the public in these regions was in favour of independence and secondly because this would probably make the idea of independence less attractive. The current deadlock stemming from the attitude of central governments was causing an escalation in calls for independence, which could decline if further autonomy was granted.

The PRESIDENT thanked Ms Balent for her words and noted how sensitive these issues were. Ms Balent had described the situation of regions which formed an integral part of the European Union's architecture. There was a need to look closely at what was happening in these regions but also to investigate the trends towards recentralisation which were emerging throughout Europe. A balance had to be struck between the national level and the regional level. The example of Catalonia needed to be followed closely in view of recent events including the decision by the Catalan Parliament to hold a referendum and the opinion of the Constitutional Court. The Chamber should also keep a close track on the situation in Scotland.

The Chair welcomed Sonja Steen, the Chair of the Committee on Culture, Education, Youth and International Co-operation of the Assembly of European Regions (AER). The Chair also announced that the co-operation between the Chamber of Regions and the AER was shortly to be strengthened thanks to the signature of an agreement between the Congress and the AER.

Sonja STEEN (Norway), Chair of Committee 3, on Culture, Education, Youth and International Co-operation, of the Assembly of European Regions, said that she would be speaking in this debate on behalf of the AER President, Ms Hande Özsan Bozatli.

The theme of regionalism had been a major focus of the AER's work, particularly since the beginning of the financial crisis in 2008-2009. The term regionalism did not correspond to a well-defined process or a norm. The Europe of the regions did not speak with one voice to advocate a single model of regional autonomy. Quite the opposite in fact as regionalism was a constantly evolving concept, which varied along with political changes, citizens' choices and economic situations. Because of its impact on public budgets, the crisis was an opportunity to rekindle the debate on the territorial organisation of states. Among the states' main concerns were the desire to achieve economies of scale and avoid duplication of public services. However, it was also important to ensure that the reforms respected an essential principle, which was one of the pillars of the European Union and the Council of Europe, namely the subsidiarity principle.

Sonja Steen said that she was concerned about the current situation in a number of countries where central governments were placing the responsibility for budget deficits at the door of regional authorities. For instance, in Spain, although its powers were limited in this sphere, the government was threatening to impose penalties on the autonomous regions, which it accused of undermining the financial health of the country by not complying with budgetary constraints. Recently in Italy, the government had proposed setting up a national agency to take charge of the management of European funds, having found that these funds had only been partly used by the Italian regions, whereas they could have helped to get Italy out of the crisis. The AER had organised a survey on this subject in all the Italian regions. Its conclusion was that recentralising the management of these funds would not help Italy make better use of them. It was possible that the Italian regions needed technical help to manage these funds more efficiently. The AER had the necessary expertise in this field and could help the regions. Most Italian regions were opposed to the establishment of this agency, which undermined their powers.

However, the crisis had had a positive effect in that it had stimulated discussion on situations which could be improved. A large number of European countries suffered from what France called the "institutional layer cake". It was clearly necessary for citizens to have access to quality public services but at the same time for duplication to be avoided and savings to be made. Working along these lines, Denmark had set up larger regions in 2007 and Romania was planning to merge some of its *judets* to create larger entities. What lessons could be learnt from these experiments? In Denmark, the reform of 2007 had certainly enabled the regions to reach a critical mass, and this could be a positive factor in

a globalised economy. However, it was still difficult to know if economies of scale had been achieved and the quality of public services had improved.

The subsidiarity principle was not just a theoretical concept; it also had practical repercussions. According to the principle, decisions had to be taken at the most appropriate level. The AER considered that, because they were close to citizens and dealt directly with the various economic operators on their territory, regional authorities were key protagonists in the process of economic recovery. The crisis should not be allowed to influence the debate on the territorial organisation of states. Principles of subsidiarity and multi-level governance should be respected. Regions therefore should be granted the powers and the financial resources they needed to meet needs. In this connection, the AER had recently made an appeal for greater fiscal autonomy for the regions, particularly under the Eastern Partnership agreement. The appeal had been launched at the conference held by the AER in Ukraine in April 2013 and had been taken up in the declaration adopted in October at the end of the summit for the Black Sea. The AER regarded regionalism as a pillar of democracy. In the context of Europe's neighbourhood policy, it was essential, in order to maintain peace and stability throughout Europe, to try to support regions in neighbouring countries.

The PRESIDENT was pleased that a representative of the AER was taking part in this debate. She highlighted the work carried out by the AER relating to problems which the regions currently faced. As Ms Steen had pointed out the subsidiarity principle was not just a theory. More than anything it was a way of thinking about the relationship between the various tiers of government. Regions had to feel that they were full partners in the decision-making process. The resolution adopted at the Paris Summit was an extremely important point of reference, expressing the common view of all of Europe's regions. The President hoped that the fruitful co-operation between the Chamber of Regions and the Assembly of European Regions would continue in the future.

Bruno MARZIANO (Italy, SOC) wished to react to Ms Balent's statement. Her comments on the link between regional autonomy and separatist tendencies were similar to those set out in the report which had just been approved by the Chamber. Another point related to the link between the crisis of regionalism and the economic crisis. Bruno Marziano drew attention to the existence of a vicious circle in current European policies stemming from the fact that a number of measures had been imposed by the European Union on various states and regions with a view to putting public finances back in order, but these measures acted as an obstacle to investment, for example in the production system. These restrictions affected businesses and led to economic desertification.

It was the speaker's view that the rules of the Stability Pact on investments and quotas for European co-financing should be relaxed. In return, the regions should be asked to reduce their running expenses. There was a need to create a new pact between Europe, the states and the regions, in which the states and regions would undertake to reduce their operating expenditure but could use European co-financing funds as well as investing in production facilities. This appeared to be the only way of breaking this vicious circle. An example that could be cited was Bruno Marziano's own region, which had had to cancel investments of about one billion euros deriving from European funds because these investments would have led to a breach of the Stability Pact.

An idea worth investigating was that of an integrated vertical Stability Pact, in which the state would transfer a percentage of its spending to the regions, which in turn would pass it on to the local authorities, so as to revive investment on the ground. It seemed essential to start investing in production activities again while reducing waste and day-to-day spending so as to breathe new life into the economy. As a result, citizens would no longer see Europe as a kind of torturer which forced them to live in poverty. Europe had to regain its competitiveness. Municipalities in Italy, which had millions of euros on their accounts because they were well managed, could not spend any of these funds because they would then be infringing the Stability Pact. These stupid rules should be abolished so that a virtuous circle could be created in Europe, in which there would be investment in the production sector and sanctions for wasting public money.

The PRESIDENT thanked Mr Marziano for his statement, which provided real food for thought.

Alberto Joao JARDIM (Portugal, EPP/CCE) said that he was the President of the Regional Government of Madeira. He wished to congratulate Ms Balent on her statement. He agreed entirely

with the idea that problems could be solved by granting more autonomy. There was a need, however, not to confuse extremism and nationalism. Some forms of nationalism were totally democratic and extremism could be found primarily in centralist approaches.

It was very important to keep a close eye on what was happening in the EU states, as the economic crisis was resulting in increased centralisation. States were taking advantage of the financial situation and the lack of economic remedies to take away powers and resources from the regions. They were attempting to rally public opinion against the regions by accusing them of reckless spending. They forgot, however, that for centuries, money from the regions had benefited central government. Checks should also be carried out to ascertain whether states were not violating the rule of law. The Constitution was sometimes applied in accordance with central government interests and, as the Constitutional Court was elected by political parties, it took account of political imperatives when performing its functions. It was worth noting that treaty violations had even been observed in the European Union when it came to the treatment of ultra-peripheral regions as the EU had sometimes failed to take account of a region's ultra-peripheral status.

Regions did need more autonomy but, above all, there was a need for the principle of autonomy to be put into practice. If the current centralist trends continued, there was a risk of increasing numbers of problem situations emerging in Europe.

Magali BALENT (France), Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, said that she totally agreed with Mr Jardim and that it had never been her intention to establish a link between nationalism and extremism. There was a highly diverse range of forms of nationalism in Europe. In Catalonia, for example, the CiU party was most certainly not an extreme left or an extreme right party. Furthermore, each different form of regionalist nationalism had its own relationship with central government as, by definition, nationalism had its source in specific issues.

Clemens LAMMERSKITTEN (Germany, EPP/CCE) said he would like to address the question of budgetary stability. In Bavaria, on 15 September, about 50% of the electorate had voted in favour of amending the constitution to the effect that from 2020 onwards the State of Bavaria could no longer contract debts except in cases of adverse economic conditions or natural disaster. This provision was intended to guarantee the state's economic stability. Clemens Lammerskitten welcomed the fact that Ms Orlova's and Ms Toce's report, which had been adopted the previous day by the Congress, had taken up this idea by calling for measures to be introduced to reduce debt. The major international central banks currently awarded loans at very low interest rates to other banks. Although this meant that local and regional authorities could repay their debts more easily, the system could not last indefinitely. When interest rates rose again, a major burden would be placed on local and regional authorities unless they rebalanced their accounts in good time. On the social front, this situation posed a problem as, when interest rates rose, the distribution of resources benefited holders of capital and worked to the detriment of the less advantaged sectors of the population. This imbalance would inevitably undermine Europe's social cohesion. The members of the Chamber of Regions were invited to intervene at all levels to try to reduce debt.

The PRESIDENT noted that there had been a favourable reaction to this proposal in the room. This was indeed an extremely important subject.

Francis LEC (France, L, SOC) said that he wished to speak on behalf of the Socialist group. The financial crisis was now an economic one but the problems of the financial crisis had not been resolved, particularly in the banking sector. The crisis had had disastrous consequences in the social field and the public services and was a breeding ground for extremism. The joint declaration by the Presidents of the Congress of Local and Regional Authorities and the Parliamentary Assembly emphasised that although national governments were aware of the vulnerable state of local and regional authorities in the current context, they had not created the conditions for them to assume their responsibilities and remain fully operational.

Governments had to be made to face up to their responsibilities, as local and regional authorities without funds were powerless. In a number of countries, particularly in the European Union, devolution was being called into question, and central government was reclaiming certain powers. The Stability Pact was giving rise to austerity measures, which people were finding it increasingly difficult to

bear. It was essential to restore financial autonomy to the regions, counties and municipalities. The Congress had to express its support for measures to boost the economy. During the debate in the plenary session, it had emerged from the statements that in Russia and Ukraine, action had been taken to stimulate economic growth. These examples should not be overlooked and neither should it be overlooked that in Europe, new battles needed to be fought with regard to the place of regions and counties. The Socialist group believed that what was at stake was Europe's image in the eyes of young people. There had to be a move away from austerity to measures for economic recovery if we wished to avoid disappointing the hopes that had been placed in European construction.

Gudrun MOSLER-TÖRNSTRÖM (Austria, SOC) noted that since 2009 economic growth rates in most European countries had been hovering around zero and that this was bound to have an impact. Unemployment, particularly among young people, was one of the problems it was creating. There was a need to put the emphasis on growth, knowledge and innovation, and growth had to be based on employment, environmental protection, social integration and sustainability.

Gudrun Mosler-Törnström talked about the measures taken in her region, Salzburg, which had a population of 532 000 and an unemployment rate of 4.7%. 92% of economic activity was conducted by small or very small businesses, which had acted as a stabilising factor during the crisis. The region had its own legislative powers, which had enabled it take certain measures. In 2009, with the aim of keeping unemployment at this very low level, the region had launched what it called "incentive packages". As a result, €460 million had been invested in public buildings, schools, hospitals, energy-conserving renovation, road construction, etc. The region had ensured that this work could be carried out by local businesses. A second package had been devised to enhance growth. €1 million per unemployment percentage point had been injected into the labour market. The region had invested in training, for example, by offering training and employment cheques, which helped people to acquire professional qualifications. At the outset €300 000 per year had been invested in this scheme but this had now been raised to €3 million per year. In 2011, 4 500 inhabitants in the region of Salzburg had taken advantage of this offer. Some large companies had had premises in the region but they had left now and this had added to the unemployment figures. The region's reaction to this had been to set up another package entitled "employment foundations", helping people who had lost their job to develop other skills.

Lessons could be learned from ideas put into practice in other local and regional authorities. In reply to Mr Lammerskitten, Ms Mosler Törnström agreed that it was important to limit public debt, but this should not mean sacrificing investment, which was essential to preserving economic activity in this crisis period.

Andrée BUCHMANN (France, SOC) said that she had helped to draw up the document which had been presented briefly by Francis Lec on behalf of the Socialist group but she wished to add two or three items. The regional level was essential where it came to bringing the authorities and the public closer together. The innovation that was needed to drive an economic recovery forward could be developed at regional and local level. One particular way of achieving this was to work on solutions in the energy field, as more and more people were in an uncertain situation with regard to energy and had to choose between paying for food or for heating. The authorities had to be given the means to take action in this sphere. The question of public transport was also crucial. The Strasbourg Metropolitan Authority, which Andrée Buchmann represented, invested a great deal in this area, as public transport was a real development tool, which served a large number of people.

It was particularly important for the public to be involved in decisions. Andrée Buchmann talked about the recent referendum on the merger of territorial authorities in Alsace. She believed that the explanation for the public's negative reaction lay in the fact that there had been no grassroots support for the project and it had been imposed from the top down. Genuine efforts should be made to enable citizens to have a say in public policies by involving all the individuals living in a geographic area regardless of their traditions.

It was important to make the distinction between the notions of regionalism, autonomism, independence movements and extremism. Most regionalists were pro-European, whereas extremists tended to be active in nationalist movements or particular forms of regionalism.

Michael O'BRIEN (Ireland, SOC) emphasised what a crucial problem unemployment was, particularly among the young. The debates the previous day in the plenary session had shown that in Italy, youth unemployment had reached 40% in some places, whereas the European average was around 23%. Some care was needed when it came to regionalisation, as increased regionalisation and improved allocation of funds to the regions meant a reduction in local government powers. If a country chose to set up regional authorities, as in Ireland, the redistribution of resources was to the detriment of the local level and the subsidiarity principle was undermined. There was no ideal system, which suited every state. "Big" countries had resources that "little" ones did not, hence the need to strike a balance.

Andrew BOFF (United Kingdom, ECR) wished to correct a statement that had been made on Scotland's pro-independence movement. This demand stemmed more from economic motives than from cultural or religious ones. The Scottish thought that their situation would improve if they could keep their North Sea oil resources. The population was not poorer than it had been before the crisis as it had always been poor. However, countries were now living on credit and they could not pay off their debts. Andrew Boff found it odd that it was being proposed to continue to use the same technique of borrowing to get out of the crisis. Tax policies had to form an integral part of the proposed solutions. Regional governments had to recognise that they were not as rich as they had thought they were and alter their aspirations accordingly. Centralisation was not the solution to the problem. In point of fact, local government was more efficient with its public spending. However, the regions could not continue to deny the causes of economic problems, otherwise they would undermine the cause of regionalisation. Investment plans could help to remedy the situation but often these plans were mere gambles and failed to secure the investment required. Europe had to agree to reassess its real level of wealth. Everyone had to realise that it had become irresponsible to spend at the same level as before the crisis.

Vanessa CHURCHMAN (United Kingdom, ILDG) cited the example of a UK government initiative entitled the "local enterprise partnership", which encouraged municipalities with common borders to set up partnerships. For example, Portsmouth and Southampton had received millions of pounds from the government to get local businesses to co-operate and to help them to combat youth unemployment, particularly by setting up apprenticeship systems. Often, political leaders were too involved in party politics to propose practical measures. The economy was the key to everything and a strong economy was essential to be able to allocate funds to local and regional public services.

The PRESIDENT said that the debate had been an opportunity to hear differing viewpoints. The discussion on the subject would continue in future. The President thanked all the speakers and called Ms Marie-Madeleine Mialot Muller to bring the round table to its conclusion.

Marie-Madeleine MIALOT MULLER (France, SOC) said that she would attempt to draw some conclusions from this debate, which was the Chamber of Regions' second on the theme of regionalisation. She also wished to talk about what had happened since the first round table, six months previously. The various statements during these debates would be reflected in the report on regionalisation to be presented to the Chamber shortly. They would also help to trace pathways for future discussions.

Marie-Madeleine Mialot Muller regretted the absence of Mr Schausberger, who had been invited to this round table. She stressed the importance of the opinion adopted by the EU Committee of the Regions last April on devolution and the place of local and regional autonomy in the preparation and implementation of EU policies. This opinion provided a very comprehensive overview of the state of devolution in EU member states. It included a series of political recommendations on various subjects, such as the advantages of devolution, its development in Europe, its sometimes complex links with the financial crisis and its relationship with the pro-independence leanings in certain territories. This document could provide a major source of inspiration for the Congress's future activities.

Marie-Madeleine Mialot Muller summed up the statements made during the debate. Natalia Komarova had broadened the spectrum of the debate by presenting the viewpoint of a large Council of Europe member state which was not a member of the European Union. The Russian Federation had adopted a highly varied range of constitutional approaches to meet the challenge of governing such a vast territory. Natalia Komarova had highlighted the positive influence that public investment could have on private investment and her region's commitment in the social and environmental spheres, which were also regarded as driving forces for economic progress. Volodomyr Konstantinov had

talked about the situation in the Autonomous Republic of Crimea. This particularly interesting example had shown how extensive political autonomy had helped to preserve peace and stability in a region which had experienced major upheavals throughout the 20th century. Mr Konstantinov had argued in favour of increased powers for local and regional authorities.

Magali Balent had addressed the question of the rise of forms of national regionalism in the European Union. The phenomenon had deep historical roots but it currently seemed to be being exacerbated by the economic, social and political crisis. The powerlessness of the European institutions in this sphere had been emphasised as well as the existence of a breakdown in solidarity and a feeling of Euroscepticism in this particular context. Sonja Steen had presented the viewpoint of the Assembly of European Regions, which was trying to devise responses to the economic crisis at regional level. Marie-Madeleine Mialot Muller took this opportunity to draw attention to an outstanding document published by the AER, which proposed a number of solutions to cope with the crisis, particularly in the field of eco-innovation. It was also to be welcomed that a co-operation agreement was shortly to be signed between the Congress of Local and Regional Authorities and the Assembly of European Regions. The question of regional autonomy and the application of the subsidiarity principle would be among the main focuses of the joint activity programmes to be set up for the following two years.

The following statements had opened up several lines of enquiry for the Chamber of Regions. The first related to enhanced co-operation with relevant partners such as the EU Committee of the Regions or the Assembly of European Regions. The works published by these institutions would be introduced into the discussions on regionalisation at the Council of Europe. Measures should also be taken to disseminate and promote the conclusions of the report on regions and territories with special status in Europe. This document contained political solutions to the institutional problems in several Council of Europe member states but also in countries outside Europe.

Reference had also been made to questions of financial stability. The Stability Pact posed a number of problems for local and regional authorities, as it had for banks. Regions should be able to continue to invest and this was a key element where it came to ending the crisis. There was clearly a need therefore for a review of national policies which were holding back investment.

In addition, when the Congress was monitoring the application of the European Charter of Local Self-Government, it should pay particular attention to dialogue with the central governments of countries faced with domestic regional tensions or conflicts. The special status model could be a means of reaching a negotiated settlement to these conflicts.

There should be regular exchanges on activities carried out in this area, particularly within the Chamber of Regions, and all innovative projects conducted at regional level should be encouraged. The aim of some of these innovations was to strengthen democratic links between political leaders and citizens, for example by holding referendums. Others attempted to rein in galloping public debate or to increase local and regional government funding. The Chamber should make the issue of public debt and the means of curbing it one of its work topics.

The Committee of the Regions' initiative to promote multi-level governance should be supported. In this context, co-ordination between the different levels, due regard for distinctive characteristics and overall consistency were fundamental aspects.

Lastly, Marie-Madeleine Mialot Muller recommended setting up a group of experts in the Congress and the Chamber of Regions to study the causes and possible consequences of the rise of forms of regional nationalism in Europe, looking at the question from both a historic and a pan-European viewpoint. In due course, a Congress report could be drawn up on the subject.

All of these questions seemed crucial, not only for the future of the European project but also for that of each citizen. Marie-Madeleine Mialot Muller therefore supported the Committee of the Regions' request for a debate to be launched on the various visions for Europe, which local and regional authorities should be involved in. Probably the most important challenge was to restore the relationship of trust between the European institutions and its citizens. Without this, the work of the Council of Europe and the European Union would lose much of its meaning.

In conclusion, Marie-Madeleine Mialot Muller thanked the Congress of Local and Regional Authorities for organising these two sessions on the economic crisis. She also thanked the permanent staff of the Congress, who, through their unremitting efforts with limited resources, provided the Congress members with everything they needed to contribute to the future of European construction.

The PRESIDENT thanked Ms Mialot Muller for her excellent summing-up of the debates.

7. Close of the session by the President of the Chamber

The PRESIDENT thanked all the participants in this session, together with the interpreters and the Congress secretariat. She drew attention to two exhibitions which were being held in the Palais de l'Europe, one on the city of Cluj-Napoca, which had been declared European Youth Capital for 2015, and the other on Khanty-Mansi (Yugra) Autonomous Okrug.

The 26th Session of the Chamber of Regions would be held during the 26th Session of the Congress of Local and Regional Authorities in March 2014.

The President declared the 25th Session of the Chamber of Regions closed.

The meeting rose at 12.05.

SITTING OF THE CHAMBER OF LOCAL AUTHORITIES

Wednesday 30 October 2013 at 9.00

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1. OPENING BY THE PRESIDENT OF THE CHAMBER

The sitting was opened at 9.08 with Jean-Claude Frécon (France, SOC), President of the Chamber, in the chair.

The PRESIDENT declared the 25th Session of the Congress's Chamber of Local Authorities open, under Rule 17 § 1 of the Rules of Procedure. He thanked all members of the Chamber who were present.

2. ADOPTION OF THE DRAFT AGENDA OF THE CHAMBER

[CPL(25)OJ1PROV]

The PRESIDENT said that the first item of business was the adoption of the agenda for the Chamber of Local Authorities, as set out in document [CPL(25)OJ1PROV].

The President noted that there were no objections to the draft agenda.

The draft agenda was adopted.

The PRESIDENT reminded participants of a number of practical arrangements regarding the electronic voting handset.

3. COMMUNICATION BY THE PRESIDENT OF THE CHAMBER

[CPL(25)1]

The PRESIDENT expressed his delight at opening the 25th Session. The agenda was a particularly full one. Four reports would be examined during the session. They reflected the diversity of the Congress's activities and the new approach it had adopted in recent years. The reports would focus on the monitoring of local democracy in Ireland, the integration of migrants through promoting entrepreneurship, the elections in the city of Yerevan in Armenia and the local elections in "The former Yugoslav Republic of Macedonia". As a result of reform of the Congress, priority had been placed on monitoring the application of the European Charter of Local Self-Government, which was a fundamental text for democracies. The previous day had seen the celebration of the 25th anniversary of this Charter and in particular the celebration of the fact that it had now been ratified by all Council of Europe member states.

The observation of elections was also one of the Congress's priorities. European democracies needed fair and transparent elections so as to enable citizens to choose their own destiny. Where there were problems with transparency, this had to be clearly brought into the open. Members of the Chamber of Local Authorities had the right, in the name of friendship and trust between the Council of Europe member states to be demanding regarding the conduct of elections.

This session's political debate would focus on the integration of migrants through entrepreneurship. This innovative approach should make it possible to view the situation of foreign nationals in a positive way by assessing their contribution to society.

The President referred to the ratification of the European Charter of Local Self-Government by the Republic of San Marino. Three years previously, when he had been elected as President of the Chamber of Local Authorities, he had set himself the goal of uniting this great family of European democracy around the Charter. He had travelled to San Marino in April 2012 to meet the Foreign Minister and discuss this issue. Sometimes, the Charter might seem to be an example of "overkill" for a "small" country. Ratification of the Charter by the San Marino parliament the previous week was the culmination of this process. This success was a sign of the new role that the Congress could play within the Council of Europe. This situation was also the result of the efforts exerted by the successive Presidents of the Congress and the Chamber of Local Authorities.

Three years previously, the President had set himself the target of "100% of the Charter across 100% of Europe". The whole area covered by the Council of Europe was now covered by the provisions of the European Charter of Local Self-Government. It was now necessary to take this further. Upon ratification of the Charter, each state could make reservations. The Congress must now

encourage member states to ratify all the provisions of the Charter. As legislation in some states had moved on, there was no longer any need for these reservations. In others, it was essential to engage in dialogue concerning changes in their local democracy. This was the way forward that he wished to follow in the coming year and he called on all members of the Chamber of Local Authorities to follow suit. Clearly this was a long-term endeavour. Through the monitoring and post-monitoring activities and the recommendations made after the observation of elections, this political dialogue could be initiated with governments. This would be the President's main task for the year to come and that of his successors.

4. LOCAL DEMOCRACY IN IRELAND

[CPL(25)5PROV] (REC)
[CPL(25)6]
[CG(25)19]

The PRESIDENT said that the next item on the agenda was the examination of the report on Local Democracy in Ireland. The vote on the draft recommendation would be followed by a speech by Mr Fergus O'Dowd, Minister of State in the Republic of Ireland, who would then reply to the written questions submitted to him.

Andris JAUNSLEINIS (Latvia, ILDG), rapporteur, said that he had recently taken over the role of rapporteur on local democracy in Ireland, replacing Michael Cohen, who unfortunately was no longer a member of the Congress. He paid tribute to the work Mr Cohen had done in the preparation of this report. He also expressed his gratitude to Professor Juraj Nemec, consultant and member of the Group of Independent Experts on the European Charter of Local Self-Government. He welcomed the fact that Mr O'Dowd was present for the debate. Merita Jegeni Yildiz, rapporteur on Ireland for regional questions, who had made two visits to the country, would then go into greater detail regarding the issues raised in the recommendations.

The report struck a fair balance between its assessment of the current situation in Ireland and consideration of the government's planned reforms. The report was based on the findings of two visits to the country. The first had taken place in October 2012. One week later, the government had published an action plan for local government reform. Accordingly, the Congress delegation had made a second visit to Dublin on 3 May 2013 to update the report. During the first visit, the delegation had travelled to Dublin, Cork, County Meath and Trim and met officials at central government, county and local authority level; it had also met the Chief Justice of the Supreme Court, associations of local authorities and academic experts. During the second visit, the delegation had held discussions on the government's action programme with representatives of the associations of local and regional authorities and representatives of the Ministry of the Environment, Community and Local Government.

Ireland had carried out major reform since the Congress's previous recommendation which dated from 2001. A new basic legal framework had been drawn up for local authorities and, in part, for regional authorities. Nonetheless, the system of public administration remained by and large centralised. However, the government had given a clear indication of its commitment to move towards a more devolved system, despite the fact that reforms to this end had been unsuccessful in the past. The action programme made provision for far-reaching overhaul of local government. It would entail replacing 80 town councils with municipal districts which would result in a reduction in the number of councillors. This reform, despite the fact that it had come in for considerable criticism from those it affected, would have the advantage of addressing a somewhat undemocratic situation. Those living in the towns had two votes: one for the municipal council and one for the county council, while those living in rural areas had only one vote. A further aim of the reform was to overcome some of the acknowledged weaknesses, such as duplication, fragmentation, inconsistency and the local authorities' lack of powers and resources. More powers would in future be devolved to local authorities.

A new local property tax would gradually be introduced. Although collected at central level, local authorities had the discretion to raise or lower the rate of tax with effect from 1 January 2015. The regional level appeared to be the weakest. There were eight NUTS 3 level regions, whose remit was very limited and which had no revenue generating power. Two NUTS 2 level regions had been created to manage the European Union structural funds. The action plan envisaged limiting the

number of regional authorities to three. This decision reflected the fact that regional authorities had only very few powers and were not directly elected.

Andris Jaunsleinis suggested that post-monitoring activity be carried out following the 2014 local elections when most of the changes provided for in the action plan would have come into effect.

Merita JEGENI YILDIZ (Turkey, R, EPP/CCE), rapporteur thanked the former co-rapporteur, Michael Cohen, with whom co-operation had been very fruitful, and Professor Juraj Nemec.

She wished to raise a number of issues that were cause for concern in the system of local government in Ireland. The protection of local self-government afforded by the constitution was relatively weak and legislation provided no guarantee of the principle of subsidiarity. Local authorities were not in a position to manage a substantial share of public affairs. Their powers were limited and their resources were heavily dependent on central government. The latter appeared to retain management of local affairs. Consultations with the local authorities and their associations were not sufficient to enable them to make a significant contribution to the proposed reform. The various associations appeared to find it hard to work together to defend their interests. However, there was an initiative to bring the associations of municipalities and those of the counties closer together. In addition, the conditions of office of local elected representatives were not sufficiently regulated. It was difficult for them to reconcile their professional activity with their town council obligations. Central government's administrative supervision of the activities of local authorities remained disproportionate. The planned creation of a new national oversight office could increase the level of supervision still further. Lastly, equalisation mechanisms were not very transparent and the local authorities had very limited freedom when it came to adopting their budget. Central government supervision was carried out by means of an administrative assessment of needs and resources.

Ms Jegeni Yildiz then referred to the recommendations contained in the report. The Irish government was called upon to review its legislation in order to provide better protection of the principle of subsidiarity. It was also recommended that consultation mechanisms with the local and regional authorities be set up. She stressed the importance of such consultation for the proper functioning of local democracy. Measures should also be taken to limit central government intervention in local decision-making. It was essential to ensure that the new oversight office which was to be set up did not exacerbate the current situation. Financial equalisation arrangements needed to be reviewed. Local authorities needed to be given greater financial autonomy, in particular by being allowed to raise taxes. The Congress delegation welcomed the plan to transfer the revenue from property tax to the local authorities. There was a need for appropriate legislation to enable local elected representatives to discharge their duties, by obliging their employers to grant them time for this purpose. Finally, the rapporteurs recommended initiating a debate to develop the regional tier of government. The government was also called on to consider signing the additional protocol on cross-border co-operation and the additional protocol on the right for local authorities to participate in public affairs.

The PRESIDENT congratulated both rapporteurs and also thanked the former rapporteur, Michael Cohen, who was present in the Chamber as a visitor. He opened the debate.

Artur TORRES PEREIRA (Portugal, EPP/CCE) said that he had read the report with considerable interest. He noted that the system of government in Ireland was heavily centralised but there appeared to be a will for reform on the part of the Irish authorities. He asked the rapporteurs whether they were optimistic about the feasibility of this reform.

The PRESIDENT gave the floor to the Chair of the Irish delegation, even though he belonged to the Chamber of Regions and not to the Chamber of Local Authorities.

Michael O'BRIEN (Ireland, R, SOC) thanked the President for giving him the opportunity to speak. He also thanked the rapporteurs for their work and paid tribute to the Congress Secretariat. He referred to the fact that two Congress delegation visits had been made to Ireland in view of the fact that the situation had changed radically in the course of 12 months. Cities and counties had been amalgamated. Previously there had been 88 local authorities and this large number had led to extremely complicated situations. The number of authorities had become more easily manageable. The new government seemed determined to ensure the success of the reform.

Mr O'Brien felt that there remained too much central control. Above all it was essential to correct anomalies, developed over more than a century, of a British system of local government. It was relevant to compare the situation in Ireland with that of Scotland. There, there were 32 local authorities for 5.2 million inhabitants. The reform in Ireland, which had 4.5 million inhabitants, should reduce the number of local authorities to 31. As deputy leader of an association representing local authorities, he felt that this reduction was legitimate. Nonetheless, the associations would be keeping a close watch on this reform. They wanted a strengthening of local and regional authorities. The time-scale of the reform was relatively tight, since the changes to legislation had to be made before the next local elections in May 2014. He emphasised the fact that any delay to this process would be a mistake. Access to local services had to be guaranteed for all citizens without discrimination. Accordingly, it was necessary to distribute resources fairly so that public services could be delivered to the whole population.

The PRESIDENT invited the rapporteurs to respond to the comments made.

Andris JAUNSLEINIS (Latvia, ILDG), rapporteur, said that there appeared to be a consensus over the need for reform in order to increase local authorities' resources and limit supervision by central government. It was essential for the reform to be carried out in complete transparency. The rapporteurs were relatively optimistic that the reform would go ahead.

Merita JEGENI YILDIZ (Turkey, R, EPP/CCE), rapporteur, said that she agreed with her co-rapporteur.

Lars O. MOLIN (Sweden, EPP/CCE) speaking as Chair of the Monitoring Committee, underlined the quality of the report which presented a balanced view and which contained practical recommendations for the Irish government.

The PRESIDENT said that the draft recommendation, for which two amendments had been tabled, would now be considered.

Mary HEGARTY (Ireland, EPP/CCE) presented Amendment No. 1, which stated that the abolition of town councils would lead to public responsibilities being exercised further away from citizens rather than closest to them. The amendment also expressed regret that there had not been sufficient consultation on this issue.

The PRESIDENT noted that there was no opposition to this amendment and sought the opinion of the rapporteurs.

Andris JAUNSLEINIS (Latvia, ILDG), rapporteur said that the question was a complicated one and that there was no unanimity on this point among the associations representing local authorities. The rapporteurs felt that the amendments tabled should not be adopted. However, it was important to keep a close watch on the reform process. Mr Jaunsleinis turned to Mr O'Dowd, calling on him to consult all the stakeholders in this process. The Congress would do all it could to help both the government and the local authorities. The rapporteurs were therefore not in favour of the amendment.

Lars O. MOLIN (Sweden, EPP/CCE) was also not in favour of the amendment.

The PRESIDENT put Amendment No. 1 to the vote.

Amendment No. 1 was rejected.

Mary HEGARTY (Ireland, EPP/CCE) presented Amendment No. 2. She felt that the abolition of the town councils weakened the position of towns and limited access to public services. The amendment therefore called for further and meaningful consultation with the local communities before any abolition of town councils.

The PRESIDENT noted that there was no opposition to this amendment.

Andris JAUNSLEINIS (Latvia, ILDG), rapporteur, said that the rapporteurs were not in favour of the amendment.

Lars O. MOLIN (Sweden, EPP/CCE) agreed with the rapporteurs.

The PRESIDENT put amendment No. 2 to the vote.

Amendment No. 2 was rejected.

The PRESIDENT put the whole draft recommendation to the vote. He reminded members that a two-thirds majority of votes cast was required for its adoption.

The draft recommendation contained in Document [CPL(25)5] was adopted.

Statement by Fergus O'Dowd, Minister of State, TD, Member of Dáil Éireann, Ireland

The PRESIDENT expressed his pleasure at giving the floor to Mr Fergus O'Dowd, Minister of State for the NewEra Project (Departments of Communications, Energy and Natural Resources and the Environment, Community and Local Government). Mr O'Dowd had been a Senator and also mayor of Drogheda, for three consecutive terms of office. The President thanked Mr O'Dowd for his presence in the Chamber, which attested to his interest in the work of the Congress of Local and Regional Authorities.

Fergus O'DOWD (Ireland), Minister of State, TD, Member of Dáil Éireann, Ireland, thanked the rapporteurs for their detailed analysis of the situation in Ireland.

The Local Government Reform Bill was currently before the Irish parliament. The Irish government would take account of the recommendation adopted that day by the Chamber of Local Authorities. Obviously, the report contained some criticism of local government in Ireland, but significant progress had been achieved in this area. Over the previous two years the situation had changed. A number of factors had combined to weaken local democracy in Ireland. Local government structures were now out of line with modern demographic and social realities. The role of local government was relatively narrow with some of their functions having been transferred to specialist agencies because of requirements of resources or expertise. These functions should have been replaced by alternative community-focused functions. Over the last 20 years, the assignment of new functions to outside bodies had added to the marginalisation of local government. The fiscal powers of local authorities had been weakened, particularly by the removal of the local residential property tax. The standard of local government was not always as high as it should be and as a result public confidence had suffered.

The reform project was very ambitious. Certain sceptics had claimed that the reform would never see the light of day. However, practical implementation measures were already under way and this would accelerate greatly in the coming year. The new system took account of the realities of Ireland, and in particular of the economic situation. The future system of local government should help accelerate the momentum of recovery that was now evident. The Action Programme was based on a clear vision of the role of local authorities which should be at the forefront of economic and social development. They should effectively and efficiently deliver essential services for the population. In future, local authorities would manage their own affairs, with central government intervening only in exceptional circumstances.

A large number of functions were to be devolved to local government, in particular in areas such as local development, tourism, rural transport and ports. This was just the first stage and other functions could be assigned to the municipalities and the counties. The many shortcomings in the system, however, could not be turned round instantly. Reforms had to be introduced with care. The new text was realistic, setting out a measured and progressive pathway for far-reaching change.

Budgetary and fiscal powers were a key part of the reform. Local authorities should be able to collect resources directly from their citizens. They would henceforth be responsible for managing public finance. Councillors would have to account for their budgetary decisions, which was absolutely essential for a functioning democracy.

Subsidiarity was a key principle of the Charter of Local Self-Government. The measures taken to devolve certain functions to local level reflected the Irish government's commitment to applying this principle. The rapporteurs' comments on this issue would be taken into account. Under the new arrangements, municipal districts would cover the entire territory of each county. At present, certain areas did not have a local council other than a county council. In future, each citizen would know to which local authority they should turn. Some 70 functions would be devolved. As a result, the autonomy of municipal districts and counties would be much more extensive than had previously been the case.

The reform was designed to strengthen local government and to provide a framework for the oversight arrangements in respect of elected councils and the executive. A National Oversight and Audit Commission would be established, not as an instrument of control strictly speaking, but to monitor developments at local level and carry out a meaningful and objective assessment of local authority performance. This Commission would ensure that citizens and communities could compare the performance of their council with others. There would be a rebalancing of power from the executives in favour of the elected councils. The government wanted strong local authorities that represented citizens effectively, providing them with the services they needed and doing so in a financially responsible way. The new legislation would fundamentally change the relationship between citizens and their local authority and establish an appropriate framework for democratic representation at local level. The government was committed to these constitutional values.

Mr O'Dowd underlined the fact that the reform would bring about fundamental change. As a local elected representative for over 27 years, he was well aware that local government formed the very basis of politics. Local elected representatives would have new powers, particularly in financial matters, and would be more accountable for their action. The reform process was a long-term one, but it had already begun.

ORAL REPLIES TO WRITTEN QUESTIONS

The PRESIDENT thanked the Minister for his very interesting presentation. He invited those members of the Chamber of Local Authorities who had tabled written questions to present them.

Anders KNAPE (Sweden, EPP/CCE) said that the Congress of Local and Regional Authorities was ready to help the Irish government in the local government reform process. The Congress had put in place post-monitoring procedures for co-operation with member states. He asked Mr O'Dowd how he viewed the Congress's role in this collaboration.

Fergus O'DOWD (Ireland) said that the Local Government Bill that had just been published which would give legal effect to the most important reforms. The Irish government was very much in favour of co-operation with the Congress in this reform process. The reform programme was an ongoing process and the government would welcome the Congress's contribution as the process unfolded.

Mary HEGARTY (Ireland, EPP/CCE) thanked the Minister for being present. Irish local councillors felt that it was essential for local democracy for there to be structured and ongoing dialogue consultation between the local authorities and central government. They were concerned that the new structures which would be replacing the municipal councils would not have financial autonomy. They wanted the decision to be postponed to allow more time for consultation.

Fergus O'DOWD (Ireland) was very much in favour of consultation between local authorities and central government. He said that Minister Hogan had, over the previous two years, met the various associations on 16 occasions. The recently published Local Government Bill provided for a structured approach to this dialogue. Discussions were, moreover, continuing with the parties concerned. With regard to financial autonomy, the Bill set out a broad framework of financial arrangements between district and county level. The aim was to rationalise the overall fiscal system. The districts would have increased functions. They would be able to fix the level of various charges and take decisions on work programmes. New guidelines would be issued in due course, but the opinions of the stakeholders would be taken into account.

Zdenek BROZ (Czech Republic, ECR) said that the Congress of Local and Regional Authorities relied on the Reference Framework for Regional Democracy as a benchmark for assessing democracy at regional level. In Ireland, the role of regions seemed limited, but the government had said that it intended to develop this tier of government. He asked Mr O'Dowd what he thought about the future of regions in Ireland.

Fergus O'DOWD (Ireland) said that the Belgian delegation had also raised this issue. In Ireland, there was very little regional identity and the current arrangements of two parallel sets of regional bodies was not sustainable in the context of public service reform. In future, Ireland would have a single consolidated set of regional assemblies which would perform very important functions particularly in the management of EU investment programmes. The regions would have greater powers in the field of spatial development and in the economic sphere. They would be regarded as a bridge between central and local government.

Michael O'BRIEN (Ireland, R, SOC) thanked the Minister for being present. He commented that few Irish ministers came to the Congress. He asked Mr O'Dowd to pass on the message to his government that the Irish members of the Congress would be keeping a close watch on the extent to which the government's promises were fulfilled.

Fergus O'DOWD (Ireland) said that the government would face up to its responsibilities in the same way as local elected representatives.

Lars O. MOLIN (Sweden, EPP/CCE), on behalf of the Monitoring Committee, thanked the Minister for his very interesting statement. He would like the Minister to have a further meeting with the rapporteurs in one or two years' time to pursue the political dialogue and ensure that the Congress's recommendations could be implemented in the near future.

Fergus O'DOWD (Ireland) would very much like this dialogue to be pursued and for a further meeting to be held as quickly as possible. All the Congress's recommendations, the result of broad wisdom right across Europe, were very important to Ireland.

The PRESIDENT thanked the Minister for his replies to the questions tabled by members of the Chamber of Local Authorities, in which he had shown a great deal of talent and passion, and demonstrated his openness to dialogue.

5. INTEGRATION THROUGH SELF-EMPLOYMENT: PROMOTING MIGRANT ENTREPRENEURSHIP IN EUROPEAN MUNICIPALITIES

[CPL(25)2PROV] (RES and REC)

The PRESIDENT said that the next item on the agenda was the debate on the report on promoting migrant entrepreneurship in European municipalities. Whenever issues relating to the integration of migrants were addressed, frequently the emphasis was placed on the need for them to find a job in existing structures, whether public or private. This report looked at the question from a different angle, viewing migrants as possible entrepreneurs. Migrant entrepreneurship was on the rise in Europe, against the backdrop of unprecedented cultural diversity. This situation raised a number of questions. At municipal level, were appropriate conditions in place to promote this spirit of enterprise? Were local authorities always aware of the needs of migrant entrepreneurs and the obstacles they faced? Following the presentation of the report on this subject, a representative from Stuttgart City Council, Ms Ayşe Özbabacan, would describe for members of the Chamber of Local Authorities, the experience of her municipality in this area.

Henrik HAMMAR (Sweden, EPP/CCE), rapporteur said that there were a number of reasons to help migrants who wished to create their own company. Europe was faced with ageing of the population. It needed citizens who could contribute to the economy. It was also important for everyone living in Europe, wherever they came from, to be able to work, to have their voice heard and see their dreams fulfilled.

Europe was lagging behind in enterprise creation compared with Asia and America. Economic growth in Europe was not as vigorous as it was in China, India or the United States. To ensure growth, Europe needed more SMEs and even micro-businesses. At present, some 4 million new jobs

were created each year in SMEs in the European Union. The values of the Council of Europe – democracy, human rights and the rule of law – required an inclusive society, in which all people could play a part. Local elected representatives should foster the creation of SMEs by means of an appropriate environment, in collaboration with national and European authorities. One solution was to fully benefit from the potential of immigrants. In many countries, immigrants were able to create their own business, which meant that not only were they creating their own job, but could also create jobs for others.

Entrepreneurship was undoubtedly a factor of integration, and as such it was fully in line with the values of the Council of Europe, as the integration of migrants helped ensure the full development of democracy and respect for human rights. In the past, the Congress had adopted resolutions on the importance of integrating migrants. This report followed on from this. It contained practical proposals to improve the general climate for creating migrant entrepreneurship.

At present, there were few national and local policies in this field. Accordingly, migrants faced several hurdles when they tried to set up their own business: difficulties in obtaining financing and lack of access to the competent authorities and professional networks. Many migrants did not know where to find the information they needed. In order to change this situation there had to be a clear strategy, with all tiers of government acting in concert. It was also important to raise public awareness of this issue. The local level had to play a leading role in this connection and incorporate migrant entrepreneurship in local development plans. Facilities needed to be set up to provide migrants with information and advice on how to create an enterprise, on possible funding and on business networks. Particular effort needed to be made to promote the entrepreneurship of migrant women. The regulatory framework should be adapted in order to reduce bureaucracy. Legislation should be made less rigid in order to foster business creation and the administrative burden for entrepreneurs should be reduced. Migrants should be given appropriate advice and support. One of the obstacles which migrants faced more than the local population was the difficulty in obtaining financing. Yet there were examples in Europe of financing made available for activities for which the banks refused to grant loans. Micro-credit, for instance, was a good solution for innovative ideas in which the banks were not interested.

The European Union could play a key role in this field. Moreover, in January 2013, the European Commission indicated its wish to revive entrepreneurship throughout Europe.

Mr Hammar wished to express his gratitude to the CLIP (the European Network of Cities for Local Integration Policies for Migrants) for all the work they had done to improve the situation of migrants in Europe. He also thanked the Swedish Association of Local Authorities and Regions (SALAR) for their support. In conclusion, he said that the rise in migrant entrepreneurship was expected to make a significant contribution to the integration of migrants at local level and to economic development. Less rigid regulations, simplified procedures, better information provided to migrants, the development of micro-financing and the creation of migrant business associations were all measures which could foster the setting up of small and medium-sized enterprises and, as a result, new jobs and economic recovery. The municipalities had a fundamental role to play in this context.

The PRESIDENT thanked the rapporteur. He introduced Ms Ayşe Özbabacan, from Stuttgart City council, a city which was very active in the field of migrant integration and in cross-border co-operation on this subject. For many years, Stuttgart had been the driving force behind the CLIP network. This network, which had the support of the Congress, had produced several reports containing proposals on various aspects of integration and these reports had led to Congress resolutions and recommendations. The report under consideration was also based on a CLIP study.

Ayşe ÖZBABACAN (Germany), Integration Policy Officer, Office of the Mayor, Stuttgart City Council, said that she was delighted to be able to share with the Chamber of Local Authorities Stuttgart City Council's experiences of migrant entrepreneurship. She expressed the gratitude of the members of the CLIP network for the Congress's support. In 2003, the Council of Europe had initiated a discussion on the integration of migrants at local level. CLIP and Stuttgart City Council had subsequently worked on this issue. Migrant entrepreneurship was a question which had been overlooked by the majority of municipalities in their employment and integration policies. Stuttgart City Council was well-known for its integration policy. In point of fact, roughly 40% of the population was from an immigration background. This had proved to be a real advantage for the city, and since the

1950s, this section of the community had made a significant contribution to the economic development of Stuttgart.

When this case study was initiated by the CLIP network, Stuttgart found that there was a lack of data on migrant entrepreneurs. However, a similar study had been carried out in 2008 by the University of Mannheim for the region of Baden Württemberg. It found that there were some 80,000 migrant entrepreneurs in the region, half of whom were eligible for traineeships but only one fifth of them made use of this possibility. Stuttgart City Council wished to find out the reasons why migrants started their own business. It found that the number of start-ups had doubled since 1990, but also the number of business closures.

The 2010 CLIP study gave Stuttgart City Council the opportunity to examine this question, together with all the relevant stakeholders, such as the Department for Economy, the Department for Integration and entrepreneur representatives. Since then, numerous steps had been taken. For example, the ABba project was designed to help migrant workers take on trainees. It was being run by the Chamber of Industry and Commerce. The City Council found that there were a number of measures being taken but they were not structured. Since 2010, the City Council had decided to bring all the relevant stakeholders together. At the time there were only three migrant entrepreneur associations, whereas now there were 14. It was important to inform migrant entrepreneurs about the opportunities available and to provide them with advice services and access to finance.

The City Council had taken a close look at the situation of migrants embarking on entrepreneurship and identified various problems that they encountered: administrative obstacles, lack of information regarding the regulations, and a lack of qualifications and resources. Many immigrants had excellent ideas but no marketing strategy. In addition there were often language problems.

It was imperative to make the population aware of the contribution made to the economy by migrant entrepreneurs. These initiatives fostered the integration of migrants and job creation. Entrepreneurship among migrant women had also been addressed. However, there was a lack of reliable data in this field. A study was due to start the following month in Stuttgart to gather data in order to draw up entrepreneurship development programmes for migrants in Stuttgart.

Another aspect of the City's policy was to involve immigrant populations in public life. To this end, an advisory body on which migrants were represented had been set up in the municipal council. Migrant entrepreneurs were able to take part in the activities of the Chamber of Commerce and Industry, but it was essential to encourage them to become active members of this Chamber.

Lastly, one should not overlook the recognition of foreign qualifications for migrants wishing to be self-employed. Ms Özbabacan asked the Chamber of Local Authorities to include this issue in the draft report and to promote an exchange of best practice. The exchange of experiences within the CLIP network had made it possible to learn lessons from the initiatives carried out in other cities.

The PRESIDENT thanked the speaker and opened the debate.

Jetty EUGSTER-VAN BERGEIJK (Netherlands, EPP/CCE) said that in recent decades there had been a considerable rise in migrant entrepreneurship. It was different from the traditional type of entrepreneurship as it focused on migrant products and customers. New strategies were emerging. This entrepreneurship gave rise to job creation and local economic growth, and at the same time the promotion of diversity. According to the American sociologist Jane Jacobs, these were key factors for the prosperity of urban economies. These activities also improved the economic situation of migrants themselves and supported their integration into society. The advantages were therefore both economic and social.

The factors of success and the way these enterprises were organised varied widely between different migrant groups. For example, in the towns and cities of the Netherlands, Turkish SMEs were extremely well organised in networks, whereas Moroccan enterprises operated in a much more isolated way. The assistance provided by the municipalities focused on infrastructure and administrative support. In return, these local enterprises made a positive contribution to the image of the city, portraying it as a creative city. The image of a city was highly dependent on how the municipality encouraged migrant entrepreneurship. Ms Eugster-van Bergeijk felt that this was a real

opportunity for a city and highlighted the importance of a sharing of experiences. Addressing her comments to Ms Ayşe Özbabacan, she said that there were many obstacles preventing migrants from setting up their own business: lack of financing, lack of information on regulations, discrimination, a hostile commercial environment. She asked which obstacles Stuttgart had sought to address as a priority.

Angelika KORDFELDER (Germany, SOC) thanked Ms Özbabacan for her information on the action carried out in Stuttgart. That city was very active in encouraging business creation. It was also well-known for its involvement in numerous networks to promote integration. She wondered whether this experience could be replicated elsewhere to encourage migrant entrepreneurship or if it was specific to the situation of Stuttgart. She also wondered about the resources that were required.

Viacheslav ROGOV (Russian Federation, ILDG) said that migrant enterprises helped immigrant populations be a part of both the economic and social life of their host city. The integration of migrants was a key factor in the development of the local economy. At present however, there were many countries which had not yet put in place a specific policy at local and regional level to promote migrant entrepreneurship. In the Russian Federation, President Putin had said that he wanted a well-thought out, high quality immigration policy, which took account of the economic potential and ethnic and cultural characteristics of migrants. The work carried out by migrants was a fundamental asset for Russia's economic development, particularly in small and medium-sized enterprises. This activity represented 3-5% of the Russian GDP. The regions and municipalities should tap into the considerable resource of migrant entrepreneurship by appropriately implementing the provisions of legislation, in co-operation with the immigration services.

However, small and medium-sized enterprises set up by foreign nationals were faced with a number of difficulties. It was therefore essential to provide them with support at local and regional level. Policies had been drawn up to improve the skills of migrants and a series of measures had recently been adopted. There also needed to be changes to the alien registration system and to the rules regarding business creation. The new technologies made it easier to create skilled jobs. Nonetheless, it was imperative for immigrant workers to master the Russian language in order to integrate. They must be able to take part in local life in order to take up employment.

In conclusion, Mr Rogov said that immigration policy needed to make business creation easier. It was essential to eliminate the barriers at national level so that practical measures could be implemented at local level to ensure that migrants could integrate into society.

Julia COSTA (Portugal, EPP/CCE) had a question for the rapporteur. She wondered about the validity of making a distinction between enterprises run by migrants and those run by nationals, since the ultimate aim of local policies was to promote entrepreneurship in general.

The PRESIDENT called on Ms Ayşe Özbabacan to reply to the questions that had been asked.

Ayşe ÖZBABACAN (Germany) said that the main obstacles on which Stuttgart City Council had concentrated related to its efforts to provide information on possible sources of funding, regulations and the availability of business locations. Many foreign entrepreneurs did not have the necessary information, despite being highly qualified. Their skills needed to be used for the benefit of the economic development of the city.

One speaker had asked whether Stuttgart's experience could be replicated elsewhere. The city council's work had taken several years, but the co-operation between the different stakeholders (the Department of the Economy, the Chamber of Commerce and Industry, migrants' associations) had now borne fruit. The same could doubtless be carried out elsewhere. In addition, Stuttgart City Council exchanged its experiences as part of the CLIP network with 36 other towns and cities. She said that the city council was always willing to exchange ideas with other local authorities.

The PRESIDENT gave the floor to a final speaker.

Andreas GALSTER (Germany, EPP/CCE) said that as mayor of a town of 8,000 inhabitants, this question was of particular interest. He wished to make a number of comments. Paragraph 4 of

the draft resolution described the benefits brought by foreign entrepreneurs. However, certain groups of migrants could keep very much to themselves which posed a problem at policy level. There were also skills-related problems. Most entrepreneurs needed an additional qualification before complying with national regulations. At national level, it was now possible to recognise foreign qualifications. There was also the danger that the entrepreneur did not have real autonomy and that a particular population group was subject to wage dumping.

Lastly, paragraph 11.f of the draft recommendation called on Council of Europe member states to grant voting rights at local level to foreign residents from non-EU member states. Mr Galster asked whether the Congress had already adopted recommendations in this regard. If not, he would like such an important issue to be the subject of a separate debate. This was a particularly sensitive political issue which warranted specific discussion.

The PRESIDENT said that this last question went beyond the report being debated. He called on the rapporteur to reply to the various statements.

Henrik HAMMAR (Sweden, EPP/CCE), rapporteur, thanked those speakers who had expressed their support and Ms Ayşe Özbabacan for the work carried out. The report contained three key points. First, all levels of government in Europe should support entrepreneurship, and particularly migrant entrepreneurship. Second, local authorities were key players in this field. Lastly, it was essential for there to be micro-financing arrangements.

Stuttgart had undoubtedly been very successful in this area. The action taken by other cities in Europe could also be cited as examples, as shown by the activities of the CLIP network.

One speaker had asked why it was more necessary to support migrant entrepreneurship rather than entrepreneurship in general. Migrants had shown a higher level of interest than the local population in setting up businesses. Migrants saw this as a means of economic success. If one managed to ensure that migrants could set up businesses, this led to positive effects for integration policies. According to European studies, the potential for economic growth was to be found in SMEs, which accounted for 4 million new jobs in the European Union each year. It was therefore imperative to stimulate this sector. The local level could play a decisive role in this area and Stuttgart provided us with an excellent example.

The PRESIDENT thanked all speakers. He commented that this topic was a new one being discussed in the Congress and he hoped that the Current Affairs Committee would continue to monitor this question. The draft resolution, for which no amendment had been tabled, would now be put to the vote.

As the electronic voting system was not working, the vote took place by show of hands.

The draft resolution contained in Document [CPL(25)2] was adopted.

The PRESIDENT put the draft recommendation, for which no amendment had been tabled, to the vote. He reminded members that a two-thirds majority of votes cast was required. The vote took place using the electronic voting system.

The draft recommendation contained in Document [CPL(25)2] was adopted.

6. ELECTION OF THE MEMBERS OF THE AVAGANI (ASSEMBLY) THE CITY OF YEREVAN, ARMENIA (5 MAY 2013)

[CPL(25)3PROV] (RES and REC)

The PRESIDENT said that the next item on the agenda was examination of the report on the elections which had taken place in Yerevan on 5 May 2013. From May 1, the Congress delegation, comprising elected representatives from nine European countries, including three members of the European Union's Committee of the Regions, had held meetings with various people. On 5 May, the members of the delegation had observed the election of members of the Avagani, i.e. the municipal council, and of the mayor of Yerevan. They had visited over 100 polling stations in 13 electoral districts to observe the electoral process, including the count, from opening to closing time.

Mr Stewart Dickson would present the report and Ms Doreen Huddart would then take the floor on behalf of the members of the EU's Committee of the Regions who had also taken part in the mission.

Stewart DICKSON (United Kingdom, R, ILDG), rapporteur, said that the delegation that had carried out the mission comprised 12 members, including three representatives of the Committee of the Regions. The elections had clearly been very well prepared and were conducted in a calm and orderly manner. The composition of the electoral commission had been improved; which had become non-partisan, in line with the Congress recommendation of 2009. The new Armenian Electoral Code ensured better opportunities for the participants to scrutinise each other. In addition, only a maximum of 15 voters were allowed into a polling station at any one time, making for better control.

The delegation also noted progress regarding the balance between respect for privacy and media freedom and anti-corruption measures. Nonetheless, there were some issues which still needed to be addressed, in particular with regard to voter registration. This was undoubtedly one of the delegation's most important recommendations. Certain practices seemed excessive, such as filming and photography and the use of mobile phones during the count. Moreover, the high number of "domestic observers" present caused a degree of confusion. Lastly, the delegation had received reports about pressure on the public service employees to vote for a particular candidate and to persuade others to do the same. Rumours of vote-buying also reached the delegation.

The report recommended that the Armenian authorities make certain provisions of the electoral code more specific, in a way that made the main place of permanent residence and registration on the electoral role to be a condition for voting rights. Allowing persons no longer living in Yerevan for years to continue to vote there led to "phantom" voting. Local issues should be decided upon solely by those living in the community.

Furthermore, the Armenian authorities should be encouraged to amend the provisions of the electoral code regarding domestic observers and media representatives. The practice of filming or photographing in polling stations gave the impression of an overtly controlled election process, which created mistrust among voters. It would be appropriate to limit the use of mobile phones in polling stations, particularly during the count.

Lastly, the question of vote-buying and pressure on voters remained a sensitive issue which must be addressed by the Armenian authorities. The delegation noted a tense atmosphere, due to groups of men lingering outside polling states. To increase the confidence of voters in elections, vote-buying or the perception of vote-buying should be avoided. The provisions of the Criminal Code with regard to financial incentives in the electoral field must be effectively implemented. It was simply not good enough to say that no complaints equalled no problems.

In line with the Venice Commission, the members of the Congress were convinced that the Armenian legislative framework had the potential to ensure genuinely democratic elections. However, legislation alone was not enough. The delegation therefore encouraged the Armenian authorities to fully implement all the provisions applicable to the electoral process.

Mr Dickson wished to take this opportunity to thank all the members of the delegation for their work, and in particular Doreen Huddart of the Committee of the Regions. He also thanked the Armenian people on whose behalf this mission had been undertaken. He hoped that the recommendations made would help strengthen democracy in Armenia.

Doreen HUDDART, on behalf of the members of the Committee of the Regions who had taken part in the observation mission, thanked the Congress for having invited herself and two colleagues on the Committee of the Regions, Uno Silberg and Ursula Mannle, to take part in the electoral observation mission. A report had already been submitted to the CIVEX Commission at the Committee of the Regions to convey a number of concerns. This mission was part of a series of electoral observations in Armenia over the past ten years. The practice of electoral observation was a means of guaranteeing open and fair elections. By offering different perspectives and putting forward recommendations, observers could make an active contribution to promoting democratic processes.

Doreen Huddart thanked Renate Zikmund and Carol-Anne Hughes, from the Congress Secretariat, who had drawn up an excellent programme for the observation mission and provided the

delegation members with the necessary information. She felt that Mr Dickson's report for the Congress was very detailed and contained some relevant advice. She wished to highlight some of the points made in this report.

The lack of an updated voter list was a serious shortcoming. All residents should be registered in order to be able to vote. Political will was required for change to come about in this connection. The Congress delegation was told by the public of many instances of people being wrongly registered on the electoral roll.

The practice of allowing the use of mobile phones and filming equipment in polling stations was such as to create doubts about the integrity of the voting process. The few access ramps for people with disabilities were inoperable and positively dangerous. In contrast large magnifying glasses were available for people with poor eyesight. Nonetheless, measures should be taken for the housebound to exercise their voting rights. The authorities had not introduced measures to assist the housebound and people with disabilities, claiming that this would be open to corruption.

She also felt that it would be helpful to consider providing a training programme for staff working in polling stations, to improve their competency and standards of practice. She had been present at a very disorganised and odd vote count, presided over by an individual who was clearly incompetent.

In conclusion, Ms Huddart said she would be happy to pursue this co-operation with the Congress in other observation missions.

The PRESIDENT thanked the speakers. He reminded members that there was an agreement between the EU's Committee of the Regions and the Congress of Local and Regional Authorities to include representatives of the Committee of the Regions, at their expense, in election observation missions. He opened the debate.

Vsevolod BELIKOV (Russian Federation, EPP/CCE) thanked Mr Dickson for the work carried out during this observation mission. The Russian delegation had closely followed the situation in Armenia and its conclusions were the same. The increased voter turnout was a sign of improvement in the electoral process. This was significant for the whole post-Soviet area. The Russian delegation had noted an improvement in the administration of local authorities in Armenia. However, a number of questions had been raised during these elections. The latter had benefited from the lessons learned during the presidential and parliamentary elections which had taken place beforehand, and as a result they had been carried out in an organised way, in accordance with the existing legislation and in compliance with the principles of the Council of Europe. Nonetheless, certain shortcomings had been flagged up. A number of appeals had been made to the courts. He felt that it was essential for Armenian electoral legislation to be further improved. Members of the Congress could help in this. There were lessons to be learned from the way these elections had taken place so as to ensure that future elections reached the expected standard.

Emin YERITSYAN (Armenia, EPP/CCE) thanked the members of the observation delegation, the members of the Committee of the Regions, and the Congress Secretariat for all their work during this mission. He himself had taken part in numerous election observation missions and had noted that they were becoming increasingly more professional and apolitical.

There had been significant reform of Armenian legislation, thanks in particular to the contributions of the Congress. The first recommendations adopted by the Congress on local democracy in Armenia contained a large number of points. A reform programme was initiated in Armenia, with the participation of experts from the Council of Europe. In 2005, the constitution was amended and in 2009 a specific law on Yerevan was passed. Reform of Yerevan, which accounted for over 40% of the Armenian population, was of particular significance for Armenia. The municipal system in Yerevan was very different from that of other Armenian municipalities. A proportional representation system was used in the capital whereas a first-past-the-post system was in use in other towns and cities.

The law on the status of the capital had been drafted with the help of the Congress of Local and Regional Authorities. The congress had assisted with the whole reform process in Armenia. The Armenian authorities had always been open to co-operation with the Congress. Following several

successive elections in Armenia in the course of two years, the government had set up two working groups. The first had been tasked with reforming the Electoral Code, and that reform had been adopted. The second working group had focused on amendments to the constitution. This was another area in which Armenia was ready to co-operate with the Council of Europe. Mr Yeritsyan hoped that co-operation with the Congress would continue in all the areas covered by the recommendations in the report.

The PRESIDENT highlighted the progress made in Armenia with the support of the Congress. He hoped that the situation of local democracy would be greatly improved thanks to all these efforts.

Matej GOMBOSI (Slovenia, EPP/CCE) said that he had been a member of the delegation that had travelled to Yerevan. He wished to support the message conveyed by Mr Dickson and Ms Huddart. The elections had been well prepared and positive measures had been taken by the Armenian authorities to comply with the provisions of the Electoral Code. However, regulations alone were not sufficient to secure citizen confidence in the electoral process and yet this confidence was essential for a functioning democracy. He encouraged the Armenian authorities to fully implement the legislative provisions and take a critical look at the shortcomings that remained to be addressed.

The PRESIDENT called on the rapporteur to respond to the various statements.

Stewart DICKSON (United Kingdom, R, ILDG), rapporteur thanked the speakers and in particular the representative of Armenia for accepting the recommendations contained in the report. He said that the members of the Congress looked forward to assisting the Armenian population and government.

The PRESIDENT closed the debate and put the draft resolution to the vote. No amendment had been tabled.

The draft resolution contained in Document [CPL(25)3] was adopted.

The PRESIDENT put the draft recommendation, for which no amendment had been tabled, to the vote. A two-thirds majority of votes cast was required to adopt the document.

The draft recommendation contained in Document [CPL(25)3] was adopted.

7. LOCAL ELECTIONS IN “THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA” (24 MARCH 2013)

[CPL(25)4PROV] (RES and REC)

The PRESIDENT said that the next item on the agenda was the local elections held in “the former Yugoslav Republic of Macedonia” on 24 March 2013. A 15-member Congress delegation, including four representatives of the European Union’s Committee of the Regions, had observed these elections in over 120 polling stations in 7 regions. A press conference had been held in Skopje on 25 March, together with members of the OSCE who had also observed the elections, to present the initial conclusions. The Chamber of Local Authorities would first of all hear the presentation of the report by the head of the Congress delegation, Mr Jüri Landberg, and then a statement by Mr Joseph Cordina, who would speak on behalf of the members of the Committee of the Regions who had taken part in the election observation.

Jüri LANDBERG (Estonia, ILDG), rapporteur, said that the Congress had been invited by the “the former Yugoslav Republic of Macedonia” to observe the municipal elections of 24 March 2013. A pre-election visit had taken place in February. The delegation was in the country from 20 to 25 March. The purpose of the elections was to appoint the mayors and municipal councillors throughout the country. The delegation, divided into seven teams, visited Skopje, Kumanovo, Veles, Stip, Strumica, Bitola, Struga, Ohrid, Kicevo, Tetovo, Brvenica and Gostivar. In general, the elections had been held in a calm and orderly atmosphere. Substantial progress had been observed since the Congress’s recommendations of 2009. For example, the members of the electoral commissions were better trained, there was a higher number of female candidates and inspection of the electoral roll had been improved. The Electoral Code had been amended a few weeks before the elections, with the approval of the various political parties.

However, certain issues needed to be addressed. In particular, the observers criticised the partisan approach of the media during the election campaign in favour of the government and the majority in power. Admittedly, the candidates had been able to campaign freely and speak out in public without restrictions, but the media had quite clearly sided with the coalition in power. As the members of the OSCE had observed, the very strong politicisation of the campaign did not make for a level playing field between the parties. The Congress delegation therefore called on the authorities of the “the former Yugoslav Republic of Macedonia” to ensure a pluralist audio-visual landscape. Journalists should be able to work in accordance with democratic rules.

The authorities should also take steps to enhance voter confidence, by improving the conditions for compiling and maintaining electoral rolls and by providing voters with better information on the address of their polling station. It would also be a good idea if they revised the complaints and appeal procedures set out in the Electoral Code. These procedures were extremely strict on certain points, and lacked precision on others. In general, the international observers had noted a lack of confidence among the various stakeholders regarding the legal remedies available.

A number of irregularities had been observed, in particular family or group voting, and on occasion a lack of confidentiality had been noted. Electoral staff should be instructed to pay systematic attention to such issues in future elections. All things considered the counting of the votes had been assessed positively. There had been some divergences of opinion among electoral staff on the validity of certain ballot papers, which had led to lengthy and sometimes chaotic counts. Electoral staff should be given more effective training.

In addition, several municipalities had told the observers that they had had problems in organising the elections because of a lack of financial resources.

There were many political parties in “the former Yugoslav Republic of Macedonia” based on different ethnic groups. This meant they had no political ideas for consolidating the nation. They focused solely on the needs of those ethnic groups, which could give rise to problems for the political atmosphere in the longer term. Nonetheless, the stakeholders in the country had been able to overcome the political crisis which had reached its peak in 2012. The proper holding of these elections demonstrated their commitment to continuing along the path of European integration.

In conclusion, Mr Landberg thanked all the team taking part in the mission, and in particular the members of the Secretariat for their collaboration.

Joseph CORDINA, on behalf of the members of the Committee of the Regions who had taken part in the mission, thanked the Congress for having invited the Committee of the Regions to be part of the observation delegation. For three days the members of the delegation had held many meetings with various organisations, the media and the candidates standing in these elections. The elections had been fiercely contested. Several complaints had been submitted by the opposition, in particular regarding the application of certain provisions of the Electoral Code. The observers had the impression that these individuals had a lack of confidence in the way their complaints would be dealt with by the competent authorities. Allegations had also been made in connection with voter intimidation, especially civil servants, vote-buying and misuse of state resources throughout the campaign. There had also been many complaints about the media coverage of the campaign, biased in favour of the governing coalition.

The Central Election Commission had produced a detailed handbook for polling station staff. In general, the staff had been well versed in the procedures described. Voting had taken place in a calm atmosphere. Nonetheless, the observers had noted a number of irregularities, primarily regarding group or family votes. There had been some problems regarding confidentiality of the vote and some ballot boxes had been missing the security plastic bands. In the areas near the Albanian border, there had been reports of organised transport by buses of citizens brought over from Albania for the purpose of voting. In addition, around 40% of polling stations had not been accessible for people with disabilities. There had been no reports of any incidents during the closing of the vote. The count had taken place in a relatively organised fashion, except for certain polling stations where some counting procedural errors had been noted.

In conclusion, Mr Cordina said that he had noted several positive changes compared with the elections four years previously, which he had also attended.

The PRESIDENT thanked the speakers and opened the debate.

Pearl PEDERGNANA (Switzerland, SOC), who had taken part in the observation mission, wished to underline the lack of press freedom. In Skopje, the delegation had met representatives of associations of journalists and had noted a worrying deterioration in the situation on this point. A television channel close to the opposition had been closed down. Reporting from parliament had been disrupted and debates had been held in camera, with journalists having to leave the Chamber before the budget question was discussed. Freedom of the press was not sufficiently guaranteed. The associations of journalists had acknowledged that there was a degree of self-censorship. Fearing adverse consequences for themselves or their families, journalists were opting not to write critical articles. It was essential to call for greater media plurality.

Hana RICHTERMOCOVA (Czech Republic, ECR), who had also been a member of the delegation, said that she concurred with the rapporteur's statement. She underlined the calm atmosphere that had prevailed in the polling stations and the absence of conflict between the Albanian and Slav populations. She thanked Ms Renate Zikmund for her assistance to the delegation.

Charikleia OUSOULTZOGLou (Greece, SOC) wished to point out a mistake in the report. The report referred to Macedonia. For Greeks, the name Macedonia had a historic dimension. "The former Yugoslav Republic of Macedonia" represented only a part of Macedonia, whereas the capital of ancient Macedonia was in the region in which she herself was mayor. This was where the tomb of the father of Alexander the Great, Philip II, was to be found; it was the homeland of Alexander the Great and was where Aristotle had studied. She presumed that this was a slight drafting error in the report.

The PRESIDENT called on the rapporteur to respond to the speakers.

Jüri LANDBERG (Estonia, ILDG), rapporteur, said that the problems referred to were clearly covered in the report, along with the corresponding recommendations.

The PRESIDENT put the draft resolution, for which no amendment had been tabled, to the vote.

The draft resolution contained in Document [CPL(25)4] was adopted.

The PRESIDENT put the draft recommendation, for which no amendment had been tabled, to the vote. Adoption required a two-thirds majority of votes cast.

The draft recommendation contained in Document [CPL(25)4] was adopted.

8. CLOSE BY THE PRESIDENT OF THE CHAMBER

The PRESIDENT invited the members of the Chamber of Local Authorities to attend two events: the inauguration of the exhibition, “Cluj, the heart of Transylvania”, organised by Romania and the inauguration of the exhibition on the Khanty-Mansiysk Autonomous Okrug – Ugra, followed by a reception hosted by the Russian Federation.

He said that the 26th Session of the Chamber of Local Authorities would be held at the same time as the 26th Session of the Congress of Local and Regional Authorities, from 25 to 27 March 2014.

He wished to thank the interpreters, without whom the Congress would be unable to operate.

The President declared the 25th Session of the Chamber of Local Authorities closed.

The sitting rose at 11.52.

SECOND SITTING OF THE CONGRESS

Wednesday 30 October 2013 at 14.30

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The sitting was opened at 14.30 with Mr Herwig van Staa (Austria, R, EPP/CD), President of the Congress, in the Chair.

1. ADOPTION OF THE DRAFT MINUTES OF THE SITTINGS OF THE CONGRESS ON 29 OCTOBER 2013

[CG(25)PV1am]

[CG(25)PV1pm]

The PRESIDENT said that the minutes of the previous plenary sitting on 29 October were available at the document counter and asked whether there were any comments concerning these documents.

The President noted that there were no objections to the adoption of these minutes.

The minutes of the sittings of the Congress on 29 October 2013 were approved.

The PRESIDENT said that the names of the substitutes who had been present at these sessions and notified to the Presidency would be published in the appendices to the minutes.

2. STATEMENT BY JEAN-CLAUDE MIGNON, PRESIDENT OF THE PARLIAMENTARY ASSEMBLY OF THE COUNCIL OF EUROPE

The PRESIDENT was delighted to welcome, on behalf of the Congress, Jean-Claude Mignon, President of the Parliamentary Assembly of the Council of Europe, French parliamentary deputy for Seine-et-Marne and mayor of the municipality of Dammarie-les-Lys in France. Thanks to his experience as a local politician, Mr Mignon was perfectly familiar with the issues tackled in the Congress of Local and Regional Authorities. The President emphasised that the two assemblies shared the same vision of democracy, which hinged on the proper functioning of governance at multiple levels and, consequently, on active local and regional levels.

The President recalled that the Congress of Local and Regional Authorities was the fruit of a Parliamentary Assembly initiative. The first President of the Congress had been Jacques Chaban-Delmas, to whose memory he paid tribute. The two presidents had just signed a joint declaration entitled: "Facing the economic crisis: recovery requires reinforced cooperation between all levels of government". Synergies could certainly be found between the two assemblies, with each exercising its specific prerogatives but both contributing to the Council of Europe's missions.

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, thanked the President for his welcome. He emphasised that, before being a member of parliament and a politician, he was first and foremost a mayor, which in his eyes carried the best of all responsibilities. Within the municipality, the mayor listened to the needs of his fellow citizens and was best placed to convey their wishes to the highest level of State.

Jean-Claude Mignon was grateful to the President for invoking the memory of the great French statesman Jacques Chaban-Delmas, who had created the Congress of Local and Regional Authorities. Synergy between the Congress of Local and Regional Authorities and the Parliamentary Assembly of the Council of Europe was indispensable. The two institutions had to work together. They had a legitimacy bestowed upon them by 800 million Europeans living in 47 States.

Jean-Claude Mignon said that since beginning his political career in 1977, he had taken on virtually all the responsibilities there were to be assumed: municipal councillor, mayor, *département* councillor, regional councillor, parliamentarian, president of an agglomeration community. His experience had made it clear to him that national policies undeniably had ramifications for local and regional policies. Municipalities, *départements* or regions were often asked to take the place of States, with increasingly limited funding. As a result, local politicians were obliged to step into the breach, use their imagination and make choices that were often drastic to keep public services going. Elected representatives had to ensure that their fellow citizens were able to benefit from services such as education, sport, culture and so on without increasing taxes. Unfortunately, the current financial crisis had had an impact on the everyday lives of ordinary people.

Jean-Claude Mignon believed that the joint declaration signed by the two presidents was highly symbolic. Part of the role of local, department and regional elected representatives was indeed to bring issues to the attention of the national authorities, including through the Committee of Ministers of the Council of Europe. This initiative had to be followed up, and the Parliamentary Assembly's Committee on Social Affairs, Health and Sustainable Development was tasked with implementing the joint declaration. Jean-Claude Mignon emphasised the remarkable work carried out by the Parliamentary Assembly's general rapporteur Sir Alan Meale, who could be seen as a bridge between the Parliamentary Assembly and the Congress.

Jean-Claude Mignon stressed the need to promote citizens' participation in the life of the community, which had been the focus of a recent conference held in Yerevan. This question came up time and time again before both the Congress and the Parliamentary Assembly, but also before municipalities and at the level of States. Everyone had to propose solutions at their own level of responsibility.

Jean-Claude Mignon then pointed out that the Parliamentary Assembly and the Congress of Local and Regional Authorities had joined forces to back Council of Europe campaigns, including efforts to combat violence against women and children.

Jean-Claude Mignon said that the first of the priorities he had set for his two years in office had been to forge real relations with the European Union. He had therefore sought to hold regular meetings with the leaders of the European Parliament and the European Commission to explain the Council of Europe's role to them. He had met the chairs of the different political groups in the European Parliament in Strasbourg as well as European Commissioners in Brussels. It appeared that European parliamentarians were now rather more familiar with the Council of Europe and its different organs.

His second priority had been to tackle the so-called frozen conflicts. He saw it as the Council of Europe's responsibility to put forward proposals seeking to settle those conflicts. He had devoted special efforts to the issues of Transnistria, the separatist region of Moldova and Nagorno-Karabakh. He had also forged relations with regional organisations such as the Commonwealth of Independent States, the Nordic Council, and he had a very keen interest in what was happening in the Near East, the Middle East and around the Mediterranean.

The Council of Europe and its Parliamentary Assembly had had a monitoring policy in place since 1997. It appeared that the time had come to take stock of the different procedures existing in this area. The Congress also carried out monitoring activities and wished to expand them. Jean-Claude Mignon thought that all the activities in this field should be better coordinated, drawing on what was done elsewhere, particularly at the United Nations. He had had the opportunity to hold talks twice with the United Nations Secretary General, Mr Ban Ki-moon, in New York and had been received in Geneva by certain United Nations figures, including the United Nations High Commissioner for Human Rights, who had explained how the United Nations carried out monitoring through a universal periodic review. Jean-Claude Mignon wanted in-depth analysis of how to improve the monitoring procedures within the Council of Europe so that everyone felt involved. He emphasised that there must not be a situation within the Organisation where some States were subject to monitoring and others not. The commitments entered into by the respective states had to be honoured.

The neighbourhood policy was another priority. The Council of Europe could not ignore events occurring at its borders. A few years previously the Parliamentary Assembly had created the new "partner for democracy" status, which had been granted to the Moroccan and Palestinian parliaments. These partners were wholly involved in the activities of the Parliamentary Assembly and the collaboration was exemplary. Jordan and Kurdistan had applied for this status, and other States such as Tunisia or Algeria, which Jean-Claude Mignon had visited, might consider applying for it too.

Jean-Claude Mignon also voiced his keenness to contribute to migration policy. Poorly controlled migratory flows inevitably created a number of problems. Jean-Claude Mignon thought that it was not possible to expect only the States with a Mediterranean seaboard which were directly affected by tragedies such as Lampedusa to deal with the resulting humanitarian disasters. When in Greece, he had been able to visit camps sheltering families of refugees or young people separated from their parents. He stressed that not taking action when all these tragedies could be viewed live on

television or on the Internet would be all the more unforgivable. It was everyone's responsibility to join forces in response to situations like this.

In conclusion, Jean-Claude Mignon hoped that, in future, the Council of Europe would be able to better coordinate its work. This institution comprised many different bodies which should consult and work together to lay down a clear policy line. The Council of Europe had to speak with one voice to make itself heard throughout the world. The United Nations Secretary General had made the point, during their talks in February 2012, that the Council of Europe must take a clear, unified stance on a number of issues. Jean-Claude Mignon proposed that periodical meetings be held in future between Congress of Local and Regional Authorities and Parliamentary Assembly representatives with a view to tackling all the issues and adopting a common policy line.

Jean-Claude Mignon added that his experience on the ground had brought him closer to his fellow citizens. If everyone exercising elected responsibilities took the time to listen to local residents, their policies would certainly be more coherent and cater more for the needs of the community.

The PRESIDENT thanked Mr Mignon for his statement and for the talks they had held that morning. He recalled that the President of the Parliamentary Assembly had stated his willingness to reply to questions from the floor.

ORAL REPLIES TO SPONTANEOUS QUESTIONS

Johan VAN DEN HOUT (Netherlands, R, SOC) mentioned that the Congress was coordinating implementation of the "One in five" campaign at local and regional level, to encourage local and regional authority action to stop the sexual abuse of children. The town of Dammarie-les-Lys had been one of the first to sign the Pact of towns and regions to stop sexual violence against children. Johan Van den Hout asked what Mr Mignon's views were on the subject and how national authorities could support the initiatives taken at local level. He stressed that all the members of the Congress should sign this pact.

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, took great pride in the fact that his municipality had joined this campaign. A network of parliamentarians had been set up to build public awareness of the problem. Wishing to raise awareness among young people, Jean-Claude Mignon had created a Children's Parliament in the municipality of Dammarie-les-Lys. This parliament brought together children who were in the final year of primary school. The Council of Europe's campaign had been chosen as a theme for the Children's Parliament two years ago. This hitherto awkward issue had been covered beforehand with their teachers, and each class had drawn up a bill. The results were most interesting, thanks to the teacher's efforts. A few cases of abuse had actually come to light during the exercise. Jean-Claude Mignon stressed that this kind of initiative had to be carried out at grassroots level, i.e. in the municipality, so that Council of Europe campaigns could filter down beyond the level of parliamentarians or States and penetrate the layers of society that had to be protected. At the plenary session of this Children's Parliament he had seen children step up onto the podium to present their bills without the slightest taboo with regard to what was an extremely delicate topic.

Jean-Claude Mignon recalled that he had created the first Council of Europe youth assembly, marking the Organisation's fiftieth anniversary. Young people were the future of Europe, and the Council of Europe pursued a dynamic policy promoting the youth sector. He thought that other youth assemblies should be organised, perhaps jointly with the European Parliament, so that all issues could be fearlessly tackled. Jean-Claude Mignon paid tribute to the teams involved in this municipal initiative. Another Children's Parliament had been convened on the topic of violence against women, again with extremely interesting results.

Jolanta BARSKA (Poland, L, NI), speaking on behalf of the Polish delegation, wished to draw attention to an application lodged by the families of Katyn wood massacre victims, which had been rejected by the European Court of Human Rights on 5 September. In 1940, the soviet police had assassinated over 22 000 Polish officers and officials. The local and regional authorities, which had all paid homage to the Katyn victims, were disappointed by the European Court's decision. She believed that this was not a question of international politics but a moral issue, of direct relevance to the values

on which Europe had been built. The Polish delegation stressed that respect for human rights was a core value of Europe and concerned all its peoples.

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, said that he understood the point that Ms Barska was making but could not allow himself, as a politician, to pass judgement on a decision handed down by the European Court of Human Rights. In a democracy, the judicial system had to be entirely independent. He made it a rule not to comment on court judgments.

Angelika KORDFELDER (Germany, L, SOC), speaking as mayor of a small German municipality, pointed out that, in Germany, the members of Parliament actively supported local authorities. She asked Mr Mignon how he saw the future of cooperation between the Parliamentary Assembly and the Congress.

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, said that several possible avenues had been suggested for this cooperation. The Congress held two sessions a year, while the Parliamentary Assembly held four, which was little. Some members of the Congress were also Parliamentary Assembly members and could act as a bridge between the two institutions. Sir Alan Meale was doing some tremendous work along those lines, as was Jean-Claude Frécon. However, institutional relations should be established between the two bodies to allow consultation on a number of topics debated in sessions. What was decided on within the Congress should be followed up at the Parliamentary Assembly and vice versa. There should be a review of the reforms under way in the different Council of Europe bodies with a view to doing more along these lines. The reforms had to target the Council of Europe's functional patterns, to improve coordination between its different parts. The Congress of Local and Regional Authorities and the Parliamentary Assembly must not forget that they had a legitimacy that came from the people. Jean-Claude Mignon called for a determined reform effort from all those concerned for the years to come.

Artur TORRES PEREIRA (Portugal, L, EPP/CCE) noted that the territorial reform envisaged in France had not been followed up. The new French government had embarked upon a new reform which appeared difficult to implement. Artur Torres Pereira asked Mr Mignon for his opinion on this latest attempt. More generally, would France succeed in carrying out fiscal, budgetary and economic reforms which other countries had already undertaken and which the French seemed to vehemently reject? In addition, what did Mr Mignon think of these austerity measures which were strangling economies?

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, said that he made it a rule not to mix his responsibilities at the Council of Europe with French national politics. He was not of the same political persuasion as the French government but did not wish to create a polemic with it. Local authority reform in France had long been a subject of debate. None of the successive governments had succeeded in reforming these institutions effectively. France was attached to its specific characteristics. There were more than 36 000 municipalities on French territory, which might seem a high number but the municipality was the basic building block of democracy. Personally, he thought it necessary to maintain these grassroots administrations, which cost little. On the other hand, local authorities should be urged to group together in agglomeration communities or communities of municipalities, sharing and streamlining their powers.

In that connection, France could draw on the reforms introduced in other countries such as Portugal, whose territorial organisation Jean-Claude Mignon applauded. Territorial authorities could achieve economies of scale by grouping together. There were also questions as to the coexistence of *départements* and regions and the size of regions. He had been in favour of the initiative of Alsace, which proposed the reunification of the Haut-Rhin and Bas-Rhin *départements* with the Alsace region but the referendum on that question had sadly failed. He believed that there were too many administrative levels in France and one of them, namely the *département*, should be abolished. On the other hand, the regions and inter-municipal structures should be consolidated. Creating a sports facility in a municipality required the approval of the *département*, the region and the State in order to obtain the necessary funding, which was a real uphill struggle.

Jean-Claude Mignon concluded that territorial authority reform was becoming a true necessity in France. In these times of crisis, France could not continue to finance so many administrative layers.

The emphasis had to be on investment expenditure, while curbing increases in operating costs. In his municipality, the only tax rate voted on by the municipal council had risen by a mere 1.70% in 30 years.

Sherma BATSON (United Kingdom, L, SOC) mentioned the rise in political extremism in Europe. She asked Jean-Claude Mignon how he handled extremist political parties within the Parliamentary Assembly of the Council of Europe. In France, the far right was ahead in the most recent polls. Was this a source of concern to Mr Mignon? In the European Parliament, next year's elections could yield an anti-European majority.

Alexander USS (Russian Federation, R, EPP/CCE) said that, thanks to the monitoring procedure it had introduced, the Congress was achieving better results and now took a more modern approach. He asked Jean-Claude Mignon for his views on this subject and whether certain aspects of this monitoring might be taken on board by the Parliamentary Assembly.

Viacheslav ROGOV (Russian Federation, L, ILDG) noted that the Parliamentary Assembly had recently stepped up its contacts with the Kosovo region. He pointed out that, regardless of the territory's status, special efforts were made to promote democracy, the rule of law and human rights there. Furthermore, the Parliamentary Assembly had granted a special status to Palestine. Mr Rogov wondered whether it was not perhaps time to take a fresh approach towards Abkhazia and South Ossetia so that the inhabitants of those regions could also enjoy the same standards as those applied in the other regions of the Council of Europe.

Jean-Claude MIGNON, President of the Parliamentary Assembly of the Council of Europe, said that he was indeed concerned by the rise of extremist tendencies. He was trying to put in place a number of initiatives at the level of his town, geared to preventing the escalation of populism, but he had no miracle remedy to offer. These extremist parties did not suggest any solutions to our current problems, contenting themselves instead with pointing the finger of blame at immigrants or other minorities. The work carried out at the level of the Council of Europe to combat racism and xenophobia should certainly be better publicised, and efforts should perhaps be stepped up in this field so that these projects were given tangible expression on the ground. He thought it a real possibility that extremist parliamentarians could gain European Parliament seats in the elections, and this threatened to undermine the construction of the European Union, which, in his eyes, was the solution for the future.

Mr Mignon thought that the way to counter extremist parties was to provide concrete solutions to the questions preoccupying the public. Some of those voting for extremist parties were people who were quite simply tired of the current situation and were not given clear answers by politicians.

Mr Mignon then considered the issue of monitoring. He was convinced that the Council of Europe's bodies had to continue their monitoring activities, but in a more relevant manner. The monitoring procedures went back to 1997 and had to be brought up to date. Some countries complained, where monitoring was concerned, that the Parliamentary Assembly constantly demanded additional efforts from them. Mr Mignon thought that there should be an objective review, together with the Congress of Local and Regional Authorities, the Secretary General of the Council of Europe and the Committee of Ministers, to decide on necessary changes to the monitoring process.

Mr Mignon pointed out that Kosovo was a country that was recognised by certain European Union Member States, which was not the case of Abkhazia or South Ossetia. The approach taken by the Parliamentary Assembly to Kosovo had been supported by Serbia, and he praised the attitude of the Serbian authorities for agreeing to participate in debates on Kosovo. He had been able to raise the Kosovo issue before the Serbian Parliament in a fully objective manner. The report prepared by Mr Björn von Sydow and adopted by the Parliamentary Assembly had paved the way for representatives of the Parliament of Kosovo to be involved in the proceedings of the Political Affairs Committee and participate in Parliamentary Assembly debates without entitlement to vote. Mr Mignon added that he had invested a great deal of effort in the Abkhazia and South Ossetia conflicts. He hoped that solutions could be found with Georgia and Russia regarding the fate of the thousands of displaced persons. He made no judgement whatsoever on the merits of the claims of the countries involved.

Mr Mignon believed in the power of parliamentary democracy to secure progress towards a solution, whether to the conflict between Georgia and Russia, the situation in Cyprus or the conflict in Nagorno-Karabakh. He reminded the participants that 2013 had marked the 50th anniversary of the Élysée Treaty, which had sealed reconciliation between Germany and France, previously hereditary enemies. He believed a similar reconciliation possible for many other countries on the European continent which were currently in a situation of conflict.

Mr Mignon welcomed the Romanian representatives joining the sitting and expressed his friendship towards Romania. He was delighted that the Parliamentary Assembly of the Council of Europe had been able to help provide an effective solution for dealing with the events of July 2012 in Romania.

The PRESIDENT thanked Mr Mignon for his contribution and support for the Congress of Local and Regional Authorities.

3. STATEMENT BY LIVIU NICOLAE DRAGNEA, DEPUTY PRIME MINISTER, MINISTER OF REGIONAL DEVELOPMENT AND PUBLIC ADMINISTRATION, ROMANIA

[CG(25)18]

The PRESIDENT welcomed Mr Dragnea, highlighting the high functions he exercised in Romania. Mr Dragnea was a former member of the Congress of Local and Regional Authorities and a former head of the Romanian delegation. Romania had joined the Council of Europe in 1993 and its delegations had been very active since then within the Congress. Ms Sfirloaga had been a member of the Bureau of the Congress for many years and was a former president of the Chamber of Regions.

Romania had signed the European Charter of Local Self-government in 1994 and ratified it in 1998. Since first being monitored by the Congress in 1994, it had made substantial progress in fostering local and regional democracy. The Congress had adopted reports on Romania in 1995 and 2011. The current government was seeking to introduce a highly ambitious regionalisation project aimed at reducing the number of regions and giving them additional funding. The President wished Mr Dragnea every success in this task.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, greeted the members of the Congress, reminding them that he had been the president of a local council in Romania and head of the Romanian delegation to the Congress of Local and Regional Authorities. He had also been president of the National Union of County Councils before being asked to serve in the Romanian government. It was an emotional experience for him to walk into this assembly chamber, where he had encountered so many personalities such as President Van Staa. He emphasised that the local authorities of the Council of Europe's 47 member States observed the Congress with a tremendous feeling of hope.

Mr Dragnea recalled that, 20 years ago, Romania had signed the European Convention on Human Rights, which constituted the very basis for accession to the Council of Europe. This had been Romania's first step on the path of European democracy. The Council of Europe had been a particularly reliable partner in assisting Romania with the necessary institutional reforms. The Romanian delegation to the Congress had also played a major role in this area, through the activities it had undertaken. Over the last 20 years, Romania had reinforced the rule of law and political pluralism. It had liberalised its economy, transforming it into a market economy based on private initiative and competition.

The administrative system now had to be brought into line with Romania's new identity. Mechanisms for regional development had to be established. Mr Dragnea stressed the importance of the principles laid down in the European Charter of Local Self-government and was delighted that it had now been ratified by all 47 member States of the Council of Europe. Romania had fought for respect of the principles it contained. Local authorities were recognised in the Romanian Constitution, but improvements were still required in certain areas. Since the local authorities could not handle certain public services alone, the current government had set a number of objectives to achieve real administrative reform. This would be underpinned by a territorial reorganisation so that public administration could be exercised in a new framework more closely matched to European realities.

The government had true political willing to implement this reform. The political mainstream and a sizeable part of the opposition backed this project, geared to bridging the gap between the administration and citizens. The reform hinged on three principles: subsidiarity, financial resources, dependability of local authorities. The decision-making process had to be as close as possible to citizens, in other words at the level where their needs and priorities were best understood. Adequate financial resources had to be available at local level, as well as a certain degree of expertise. Accordingly, the powers granted to local authorities had to be matched with financial and human resources.

Another important objective of the reform was to cut bureaucracy. This entailed both shortening the time required for decision-making and reducing the staff assigned to the central level. Priority had to be given to quality, not quantity. The aim was to transfer know-how rather than maintaining a complicated and costly system. Cutting bureaucracy made it possible to cut public spending. However, it had to be ensured that action was taken not in an arbitrary but in a rational manner. Cutting bureaucracy would be the main method used to combat the crisis experienced by public administration. Duplication had to be avoided and the functioning of the administration optimised. Using digital technologies was one means of cutting costs, and local authorities had to go down that path. These improvements would make it possible to embark upon reforms geared to creating jobs in the private sector and bringing about economic recovery. Regarding the decentralisation of services, it was intended to reduce the number of officials. Better selection and better allocation of them within local administrations would enable territorial authorities to meet present needs.

To implement this reform, new legislation had been prepared by the Ministry of Regional Development and Public Administration. The government wished this new legal framework to be adopted swiftly, which would mean that the financial resources to be moved to the local level could be transferred by as early as 2014. A new decentralised administrative system had to be operational as of 1 January 2014.

Mr Dragnea stressed that the government had the backing of the majority of the Romanian parliament (70%). Consultations had been organised with most of the political parties and with all the local authority associations. The government had also received substantial support for the implementation of these reforms from Romanian citizens, regardless of their ethnic background. The consultation process had begun with the holding of meetings in the different counties, including those where minorities were heavily represented. The meetings had been open to mayors, local councillors, representatives of civil society, teachers and experts from the administration.

In parallel, a number of proposals had been put forward for the introduction of administrative regions, in the interests of balanced regional development. These administrative regions would be granted powers linked to regional development. However, the Constitution would have to be amended beforehand, as it did not make any provision for regions. There was real support from parliament for this amendment. The government, bearing the Venice Commission's recommendations in mind, had decided to begin by making the necessary amendments at the level of the country's basic law. This meant that the two key components of the reform - administrative decentralisation and regionalisation - would not take place at the same time.

Mr Dragnea emphasised the support given by the Council of Europe for the preparation of proposals in favour of regionalisation. Experts had come to Romania and provided examples of regionalisation in other European countries. The government had been able to take account of these previous experiences and learn from certain errors committed elsewhere. The mapping of the future regions would be based on functional criteria. The process of regionalisation and decentralisation had to yield positive effects, along the lines of what had happened in other countries such as Poland, which had achieved significant improvements in its performances as a result of regionalisation. Romania could also draw on its experience of managing European funds. It had been observed that the rate of absorption of European funds by local authorities was considerable compared with the national average. Local authorities achieved this performance because they were truly involved in resolving their citizens' problems. Accordingly, it had been decided that a number of measures, concerning rural development for example, should be implemented during the next planning period.

Mr Dragnea also welcomed the Council of Europe's efforts to promote the integration of Roma. The European Alliance of Cities and Regions for Roma Inclusion was an important instrument for settling

certain problems linked to the situation of Roma. Any project in favour of Roma communities had to be devised in cooperation with local authorities. Previous experience had shown that it was not enough to have funding for these projects: they required total involvement on the part of local authorities. In fact, in Romania, there was a political agreement stating that any project in favour of Roma communities had to be developed in partnership with the municipalities where those communities lived.

Mr Dragnea concluded that the decentralisation process was important for fostering development. Romania was determined to bring administration closer to citizens. The government had a political majority and the firm intention to implement these reforms.

ORAL REPLIES TO SPONTANEOUS QUESTIONS

The PRESIDENT thanked Mr Dragnea for his address and invited the Congress members having tabled written questions to submit them.

Ludmila SFIRLOAGA (Romania, R, SOC), on behalf of the Romanian delegation, thanked Mr Dragnea for being present. Mr Dragnea had been the author of a number of contributions during his time in the Congress of Local and Regional Authorities and was now in the unique position of being able to implement the recommendations put forward in the last Congress report on Romania. The Congress had always advocated that the powers assigned to local administrations should be balanced with the funds allocated to them. Ludmila Sfirloaga invited Mr Dragnea to tell the Congress how he intended to preserve that balance within the regionalisation process.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, congratulated the Romanian delegation and Ms Sfirloaga in particular on their work to uphold the legitimate interests of Romania's territorial authorities. The principle adopted for regionalisation and decentralisation was subsidiarity, which optimised the exercise of powers by assigning them to the level that was closest to citizens. Some prerogatives could be entrusted directly to local authorities, while others had to be exercised at the level of the counties. The central authorities would confer powers linked with local and regional development to regions once they had been constituted.

The government bill to be laid before Parliament would pave the way for a transfer of financial resources guaranteeing a balance between powers and resources. From 2014 onwards, powers exercised at the level of the ministries or ministerial agencies in regions would be assigned to county councils. From 2015 onwards, local institution funding would be guaranteed by standards drawn up in the area of costs. Those standards would be discussed between local authorities and the Ministry of Finance.

Jos WIENEN (Netherlands, L, EPP/CCE) recalled that Romania had joined the Council of Europe 20 years previously and had ratified most of the Organisation's major treaties, including the European Charter of Local Self-government. Romania had held the chairmanship of the Committee of Ministers in 2006. Mr Wienen asked Mr Dragnea what Council of Europe membership had meant for Romania and how he assessed the impact of that membership 20 years on. He also asked how Mr Dragnea saw the future of Romania within the Council of Europe.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, said that it had been extremely important for Romania to become a member of the Council of Europe. It was then that Romania had begun to truly grasp what democracy and local self-government meant. In particular, Council membership had helped to make mayors and municipal councillors aware of their immense responsibility and also their legitimacy, which had prompted them to uphold the rights of the communities they represented. For years, all decisions had been taken by the central authorities, but Romania had then introduced the principle of the primacy of law, creating institutions that were fundamental to democracy and a multi-party system. The Council of Europe had supported Romania in its reforms and assisted it in its application to join the European Union.

Romania now had to move on to the next phase. It would shortly adopt the law on decentralisation. The creation of administrative regions also formed part of the reform projects.

Romania wished to continue to play an active role within the Council of Europe and would provide support to any new member States. Finally, Romania had launched an electoral reform, in cooperation with the Venice Commission, aimed at ensuring the stability of the electoral system.

Gilbert ROGER (France, L, SOC) pointed out that national strategies for integrating Roma should be funded by national governments and applied at local level with the support of European Union structural funds. Few governments favoured an integrated approach though, and this complicated the task of local authorities, which had to approach several different ministries to obtain these funds. The ROMACT project which had just been launched jointly by the Council of Europe and the European Commission was intended to help territorial authorities devise strategies for integrating Roma in the sectors of employment, housing, education etc. but, without national and European funding, those strategies could not be implemented. An integrated approach was sorely lacking in Romania. What measures were envisaged by the current government to enable the country's territorial authorities to gain easier access to funding?

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, thought that the Roma question had to be considered at European level. A project on a European scale was indispensable. It was true that, until now, there had been no coordination of the different measures taken at national level in Romania for the inclusion of Roma, nor involvement of the regions concerned. It was the NGOs that had been most active in this area in recent years.

Mr Dragnea believed that the most relevant level for action was that of the mayor and the president of the county council. Romania's Prime Minister had asked Mr Dragnea to coordinate all Roma-related measures from now on. The next planning period provided for the necessary funding for the inclusion of Roma, and local authority access to that funding had been made considerably easier. The government was also working with the Alliance of European cities and regions for Roma inclusion. Mr Dragnea welcomed this initiative which emphasised the role of local and regional authorities. One of the main aims of his government was to facilitate local authority access to the different programmes existing in the spheres of housing, education or culture. He hoped that this would yield positive results and that the pilot projects that were already successful could be rolled out throughout the country.

Jean-Claude FRECON (France, L, SOC) mentioned the monitoring mission to Romania in 2010, which had resulted in a Congress recommendation on local and regional democracy in March 2011. Mr Frécon asked Mr Dragnea which of the aims set by that recommendation had been achieved and what difficulties had been encountered while seeking to attain the others.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, said that, interestingly, he had been the person who, in 2009, as president of the National Union of County Councils of Romania, had asked the Congress to come and analyse the administrative obstacles hindering the financial balance of local authorities in Romania. Improvements had been observed since then.

The Congress report had emphasised four concerns. The first of these had related to the transfer of powers to local public services without the corresponding transfer of adequate funding. At the end of next January, the development and investment programmes entrusted to local authorities would be accompanied by the necessary resources.

The second point had concerned the lack of transparency in the grants allocated by the central authorities. In April 2013, for the first time, all local development programmes had been supported by grants allocated in a transparent manner, which could be consulted on the ministry website. Those transfers were the result of requests made by the presidents of county councils, following consultation of the municipalities. The ministry's sole role was one of integration and distribution. This mechanism had been established in cooperation with local authority associations and was a real step forward, following years of some citizens not being able to benefit from local development measures because of the political allegiance of their mayor.

The third point in the report had concerned complaints over the lack of a real consultation process. Regular consultations with local authority associations were now organised by the Ministry,

which could approve a project only if local authorities had been able to express their opinion. Changes to the legislative framework governing local authorities were discussed beforehand in meetings with the different territorial authorities.

Finally, the fourth criticism had been the lack of a political agreement regarding the legal framework applying to Bucharest. This question had not yet been settled. Mr Dragnea had recently held a meeting with the mayors of the largest cities, where it had been decided to solicit the input of experts from the ministry, the cities and the main districts with a view to drawing up a new law on the city of Bucharest. The general view was that the specific characteristics of the capital city had to be recognised in the law on local government. In addition, specific powers would be granted to the mayors of cities and districts and also to the general councils of the biggest cities.

Urs WÜTHRICH-PELLOLI (Switzerland, R, SOC) thanked Liviu Nicolae Dragnea for his very balanced presentation of the situation in Romania. He wished to know about the different levels of government. Had the regions been able to develop their own powers in comparison to counties? How was the situation evolving? Was there a timetable for reinforcing regions?

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, said that parallels should not be drawn between regions and counties. Administrative regions did not manage anything; they were statistical entities with no decision-making powers. On the other hand, the county was an administrative unit with a long tradition but too limited in size to manage large-scale projects. The central government could launch projects of this kind but could not specifically cater for the needs of local communities, hence the rethink on territorial organisation. It had been decided that the entities should not cover too wide an area, as this would render them incapable of catering for needs on a local scale.

The law on regionalisation could be adopted only once the Constitution had been amended. In accordance with a Venice Commission recommendation, the law on referendums had been amended to pave the way for this revision of the Constitution. However, the Constitutional Court had decided that such an amendment could take effect only in one year's time. In 2014, once the law on decentralisation had been implemented, it would be possible to prepare the revision of the Constitution and create these administrative regions in 2015.

Alexandru AMBROS (Republic of Moldova, L, ILDG) noted that the reform of regionalisation and that of administrative and financial decentralisation were some of the most important objectives of the 2013-2016 governmental programme. He wondered what strategies had been adopted to attain these objectives, particularly in terms of fiscal and local budgetary policy, in order to guarantee that decentralisation was accompanied by adequate financial resources.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, explained that local authorities faced two difficulties: the lack of a coherent approach to the funding of operational expenditure and the lack of a strategic approach to the funding of local development. To remedy those shortcomings, the draft law on local public finances had been drawn up in consultation with the local authority associations. All local authority budgets would have to distinguish between the different types of costs: the operating budget on the one hand and the development budget on the other hand. Local authorities would be bound by several constraints, including at the level of human resources. Real financial discipline had to be introduced. The grant allocated for development would have to take account of municipalities' financial capabilities. A share of these resources would be allocated to the local authorities on the basis of project proposals.

The PRESIDENT suggested that the final two questions be submitted successively.

Yuri MISHCHERYAKOV (Russian Federation, L, ILDG) congratulated Mr Dragnea on his extremely detailed presentation of the situation in Romania. He asked about the objectives targeted by the territorial reform under way, the timeframes for attaining them and the difficulties encountered by the Romanian authorities in this connection. He also asked whether the opinion of the Hungarian minority would be taken into account when the reform was implemented in areas where that minority lived.

Gaye DOGANOGLU (Turkey, L, EPP/CCE), bearing in mind that the present Congress session focused on the responses of local and regional authorities to the economic crisis, raised the question of whether the decentralisation and regionalisation process was expedient in this difficult economic situation.

Liviu Nicolae DRAGNEA, Deputy Prime Minister, Minister of Regional Development and Public Administration, Romania, in reply to the first question, said that the difficulties encountered in decentralisation were chiefly linked to reluctance on the part of state officials not wishing to share their powers with local authorities. However, in the talks that had been held, everyone had had to admit that it was indispensable to make sweeping changes at the level of the administrative system that was blocking Romania's development.

The views of the Hungarian minority would be taken into account like those of any other minorities in Romania. Very broad consultation had been carried out and, in particular, a public debate had been held in an area where the Hungarian minority was heavily represented, resulting in some very fruitful discussion. The Hungarian community had publicly backed the decentralisation process. Real, effective dialogue between the government and the Hungarian community had been established. All the proposals put forward by that community would be analysed, and the decision would be taken by the Romanian government in accordance with Romanian and European legislation and would respect the rights of all minorities.

Mr Dragnea then replied to the question from Gaye Doganoglu. The Romanian government favoured decentralisation in the current economic context. Checks would be introduced to underpin the decentralisation process, which should provide an opportunity to instil and maintain greater budgetary discipline. Ultimately, decentralisation should generate considerable savings, particularly on staff costs. Moreover, local authorities would be able to recruit individuals with greater expertise, making the administrative system more efficient. The savings achieved would free up more funding for development initiatives. The government considered that administrative decentralisation was the best means of adapting to the economic crisis affecting Europe.

The PRESIDENT thanked the Deputy Prime Minister for his explanations and for this extremely interesting debate. He handed over the chair to the first Vice-President of the Congress, the President of the Chamber of Local Authorities, Mr Frécon.

Jean-Claude Frécon (France, L, SOC) took the chair at 16.25.

4. FIGHTING POLITICAL EXTREMISM AT LOCAL AND REGIONAL LEVEL

The PRESIDENT said that the next item on the agenda was a debate on a highly topical issue: fighting political extremism at local and regional level. The rise of political extremism in Europe was shifting the usual political priorities. The rise of extremism was largely fuelled by the consequences of the economic crisis and the disillusionment of the public with politicians' apparent inability to resolve its problems. Some people saw an escape route in extremist measures and simplistic solutions. Extremism in political statements was merely a reflection of public frustration, which found sanctuary in intolerance.

The President observed that it was at the level of the local authorities where the different cultural groups, both majority and minority, had the most direct interaction and therefore at this level that tension could degenerate into an open conflict. Consequently, the fight against extremism had to begin in towns, municipalities and regions. More often than not, it was a matter of changing individuals' misconceptions and helping them to realise the full complexity of the situation. The President called on local and regional authorities to take on the responsibility for this work. He hoped that today's debate would make it possible to capitalise on concrete experiences of combating extremism.

The President presented the first guest of the Congress, Magali Balent, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation. She was also an associate researcher with the IRIS, a French think tank carrying out independent research into strategic and international issues.

Magali BALENT, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, France, said that before finding ways of combating political extremism, it was fundamental to specify what it meant. The term of extremism was often used today at every opportunity, above all to discredit political adversaries. It was also important to consider the underlying causes of the rise of extremism.

The notion of political extremism did not refer to a specific political family but rather a kind of nebula that was extremely diverse in ideological terms. Most of these extremist movements had originally been nationalist parties and, consequently, were rooted in specific country-related issues. These movements also stemmed from differing ideological origins and could not all be labelled as extreme right-wing.

However, these different forms of political extremism could be grouped into four families. The first of these – the most widespread in Europe at present - was national populism, promoted by far right-wing parties which referred to the nation-state, even if they participated not only in national elections but also in European, local or other elections. The *Front national* in France currently had two deputies in the National Assembly, 3 MEPs, 111 regional councillors, 4 general councillors and 85 municipal councillors for example. National populism depicted the nation-state as being under threat, from within or from outside, and defined the nation as an entity with a specific cultural, historical and geographical identity set in stone. As a result, the nation was conceived as an entity incapable of integrating communities which had come from other cultures. Those parties believed that there could be no other sovereign political players beyond the nation, which meant that the nation was the sole source of sovereignty. National populism placed survival of national identity at the core of its political combat: a nation that lost its identity was doomed to extinction sooner or later. National populist parties were present in most European States, although certain countries were free of them. This national populism was not the same in all European countries. Generally speaking, their ideologies were distinctly more radical in the central and east European countries, which had undergone recent transition to democratic regimes and whose national states were not as solidly constituted and as old as those of western Europe. In western Europe, these parties had adopted a strategy aimed at securing a degree of respectability and were therefore more moderate in their statements.

The second group comprised parties described as national regionalist, which claimed independence for their region. Accordingly, the framework they favoured was not the nation-state but that of the region. That was the case, for example, for the New Flemish Alliance, whose leader was currently the mayor of Antwerp, and the Northern League in Italy, which called for greater autonomy for the northern part of the country. This nationalism on a regional scale was developing in regions with their own institutions, complete social structures, a specific territory and above all a culture that constituted their identity, which made their societies see themselves as perfectly autonomous, with no need for the rest of the country to exist. These political parties regarded their region as a nation without a State. Unlike the national populist parties, these national regionalist parties were openly European.

The third political family, revolutionary nationalism, was composed not of parties but of groups that could be described as neo-fascist. They did not participate in elections, preferring to engage in activism. They operated mainly on the Internet but also took part in violent street protests. Examples in France were the Revolutionary Nationalist Youth movement or the Third Way group, which had both been banned following the murder of a young extreme left-wing militant in Paris by young far-right students belonging to the Third Way. Others operating along the same lines were the Norwegian site SIAN, of which the perpetrator of the Utøya massacre in July 2011 had been a devoted connoisseur, or the voxnr.com site, which developed revolutionary nationalist ideas. Here the ideology was far more radical, openly racist and anti-democratic. This tendency sought to reach beyond the boundaries of the nation-state to move towards what was regarded as European nationalism, which referred to a racial Europe rid of Islam, which was seen as foreign to European civilisation.

The final family, which could be described as protest populism, encompassed political parties that were mostly very recent inventions and Eurosceptic rather than Europhobic. They thrived on discrediting the political elite and claimed to speak for the people. These movements did not necessarily have a complete political programme but latched onto a key issue, such as not wanting the euro, rejecting the traditional political parties or standing up for direct participatory democracy.

These were parties born in a context of economic and social crisis, such as Alternative for Germany, the Team Stronach party in Austria or the Five Star Movement in Italy. These parties, which claimed to be neither right-wing nor left-wing, were not extremist in their ideology but took up an extremist stance on many issues and played into the hands of the extremist parties that were clearly identified as such, by taking up a number of their arguments.

Magali Balent then looked at the causes of the rise of extremism in Europe. This phenomenon had to be viewed in the context of the current economic and social crisis, which created a favourable breeding ground for it. The crisis laid bare the shortcomings of the European Union, incapable of anticipating the crisis and protecting national economies. At the same time, it was responsible for rendering individual situations precarious, which left a section of public opinion more permeable to xenophobic nationalist statements calling for a return to a protective cocoon, with the nation defending its nationals. The economic and social crisis had also triggered a political crisis, bringing discredit on traditional parties and ideologies that were incapable of finding effective solutions.

Even more significantly the rise in extremism was linked to an identity crisis, a phenomenon that was not context-related but structural. This explained why there were extremist parties present in countries where the crisis had had relatively little impact. These were countries such as Switzerland where the UDC had become the leading political party, Norway, Austria and the Netherlands, countries that were moderately affected by the economic and social crisis. This identity crisis was linked to the changing face of European societies, affected by the growth of migration from outside Europe, multiculturalism and the communitarianism emerging in Europe. Furthermore, the globalisation factor could prompt visions of national or regional identities being gradually diluted down to a kind of common standardised identity as borders faded away. In the face of these identity issues, political extremism promised to restore certainty, through proposals that might be simplistic but seduced a section of public opinion. Meanwhile, the traditional parties were unable to provide clear responses to those proposals. In France, the polemic prompted by Manuel Valls' comment on Roma had caused friction within the parties, which had been incapable of adopting a clear stance. Similarly, after the Lampedusa tragedy, the European Commission had not managed to take a firm stance on the question of illegal immigration. But for all those issues, the extremist parties claimed to provide clear responses.

Finally, Magali Balent proposed several avenues to be explored with a view to curbing the rise of extremism. The first step was to decide on the attitude to adopt vis-à-vis political extremism. Leaving aside revolutionary nationalism, whose proponents did not currently participate in elections, it had to be questioned whether the strategy of demonising political parties which won votes in Europe was a good idea. Their following ranged from 5% to 25% of the electorate. The strategy of ostracism practised by the traditional parties, condemning extremist parties' statements as fascistic and calling for an uncompromising fight against them, had failed. The National Front party had existed in France for 40 years and continued to win seats in elections. It was difficult to carry on calling those parties fascists, as their electorate was not fascist. These parties were now attracting voters who had previously voted for traditional parties. Magali Balent suggested that one strategy might be to take these parties seriously so that they were not always afforded the luxury of being in opposition, which allowed them to revel in irresponsible statements.

She also stressed the need to take a stance on political issues over which extremists all too often held the monopoly. A distinction had to be drawn between the questions raised by these parties and the responses they gave. There were numerous topical issues on which extremist parties were the only ones to state an opinion, while traditional parties found it difficult to agree on a position. These included multiculturalism, the place of Islam in European societies, the notion of European identity, the enlargement of the European Union and the rise in crime and violence. The opinion polls showed that public opinion was highly sensitive to these issues and people were expecting responses that did not come solely from the extremists.

Magali Balent concluded that it was a matter of urgency to offer a credible alternative on all these issues which had become major challenges for society and could not be left to extremists on the pretext that they were extremist issues.

The PRESIDENT thanked Ms Balent for her statement, which had provided a comprehensive overview of the different forms of political extremism. He welcomed Mr Yiorgos Kaminis, mayor of

Athens, who had been a human rights ombudsman for many years and was therefore well placed to enrich the discussion not only because of his human rights expertise but also because of his experience of the practical application of those rights in his management of a city such as Athens, in the particularly difficult economic and social context of Greece.

Yiorgos KAMINIS, Mayor of Athens, Greece, recalled that during the Council of Europe conference in Yerevan, the Vice-President of the Congress of Local and Regional Authorities, Mr Michael O'Brien, had stated that the rise of racism, xenophobia and intolerance was due to the economic crisis and politicians' inability to meet the expectations of their fellow citizens. He had also stated that combating these scourges was above all the responsibility of cities and regions. While it was indispensable to legislate at European and national level, the application of those laws began at local level. Governments must therefore grant local and regional authorities the powers and resources they needed to fulfil their role as a matter of urgency.

Yiorgos Kaminis totally agreed with Mr O'Brien. He briefly reviewed the rise of extremism in Europe. The *Front national* was constantly expanding its following in France. The polls put the United Kingdom Independence Party ahead in the European elections. The PPV, a Dutch anti-immigrant party, was in rude health, as was the Freedom Party in Austria. The far right-wing parties in Bulgaria and Hungary and even the Finnish anti-Europe party (the True Finns) were increasing their voter base. It was a worrying situation.

In Greece, the rise of extremism brought dramatic consequences. Following the murder of a young musician in a working-class district of Athens, the country's political landscape had undergone massive upheavals. That crime had been a catalyst, revealing criminal activities of members of the neo-Nazi Golden Dawn party. One of its members had been implicated in the musician's murder, and three of the party's MPs as well as its leader had now been detained for criminal acts and more arrests were ongoing.

On his recent visit to Athens the Council of Europe Secretary General had voiced his support for the Greek government's action in clamping down on the political violence embodied by the Golden Dawn party. That party had gained 5% of the vote in municipal elections in Athens in November 2010 and 7% in the parliamentary elections of 2012. Those votes had been due to a combination of economic, social, political and cultural factors. An unprecedented economic crisis had got the better of optimism and prompted Greek voters to punish the traditional political parties.

However, in the light of recent events, dozens of young people now wanted to have their Nazi tattoos removed. Even so, the problem was far from resolved. Golden Dawn appeared to have a strong foothold in the old districts of Athens, which had been on the decline since the 1980s and witnessed a mass arrival of illegal immigrants. The neo-Nazi party had taken advantage of the fact that the authorities had abandoned these districts and cast itself as the champion of the underprivileged, but only the Greek underprivileged. Despite some of its members being arrested, the party clearly had a very firm foothold. The opinion polls gave it between 6.5 % and 7.5 % of the vote at national level and around 8.5 % in Athens.

The municipality of Athens had reacted resolutely to the actions of Golden Dawn members. In the previous eight months, in the framework of combating racism and xenophobia, the municipality had twice prevented this movement from running soup kitchens reserved for Greek citizens. The municipality was keen to avoid discrimination in any form. To promote the integration of immigrants, the socio-cultural characteristics of the different immigrant communities living in Athens had to be taken into account, but there was to be no discrimination: all citizens, whatever their background, had rights and duties. The municipality of Athens was working with the Immigrants' Council with a view to framing policies that effectively catered for immigrants' needs. Those policies were based on a *bottom-up* approach.

Yiorgos Kaminis quoted an enlightened left-wing politician, Ilias Iliou: "We must act with the full force of legitimacy conferred by the rule of law". The municipality of Athens condemned all forms of political violence. In the absence of the State, it had placed emphasis on social welfare measures to prevent the collapse of local communities. To combat racism and xenophobic populism, it had adopted a policy based on solidarity. The aim was to strengthen social cohesion. The municipality

was seeking to rejuvenate the old districts and back initiatives promoting the recovery of the local economy.

A 60% cut in funds allocated by the State to the city of Athens in relation to 2009 had prompted the municipality to review its project financing. It sought cooperation in both the private and public sectors and applied for substantial European structural funds. The municipality's political action was geared to tolerance. Accordingly, the municipal orphanage accommodated 5 500 children, irrespective of nationality: some of them came from Albania, Egypt, Syria etc. Staff at the orphanage underwent special training to cater for that cultural diversity. The municipality had set up charity structures distributing food or clothing and had provided assistance to over 20 000 people without any discrimination. A subsidised grocery store and a subsidised chemist's had also been created.

The prime movers within society needed a credible partner to coordinate their initiatives, based on the principle of solidarity, in a context of increasing poverty. The municipality had sought to create conditions which made it possible to help the least privileged but also empowered citizens to take charge of themselves. It was therefore launching initiatives fostering integration into the labour market and encouraging entrepreneurship.

Mr Kaminis pointed out that combating all forms of extremism was a complex and multidimensional task that did not simply involve arresting the members of a party. It had to use the tools of social policies and education. It was also vital to modernise legislation on racist statements and acts. Indeed, the government had announced its intention to table new draft legislation to combat racism.

Mr Kaminis thought that, if Europe's peoples were not to repeat the mistakes of the past, they had to know their history. Children had to learn at school what violence, war, fascism and divisiveness meant. However, in the big urban centres, local authorities could work together with all democratic politicians and with the support of civil society, to play a key role in combating these scourges. To that end, citizens had to be encouraged to participate in public affairs in order to strengthen the democratic conscience and promote the notion of public interest. Networks of local authorities should be created at national, European and worldwide level in order to consolidate peaceful coexistence between peoples. Local authorities had to concert their efforts to ensure that the rule of law and democracy were not threatened in Europe.

DEBATE

The PRESIDENT thanked the two speakers for their statements, which had made a deep impact on the audience demonstrated by the large number of speakers registered for the debate.

Vsevolod BELIKOV (Russian Federation, L, EPP/CCE) stressed what a topical issue this was. Political extremism, which could be likened to terrorism, was dangerous. Preventive action was necessary to avoid States coming under threat. Mr Belikov cited the example of Saint Petersburg, an ancient city with multicultural traditions, where no one turned to stare at an individual wearing clothing typical of a Muslim. However, there were now serious problems throughout Europe, and Russia and Saint Petersburg were no exceptions. Mr Belikov thought that the solution required a clear definition of responsibilities. In Saint Petersburg, the municipality was under obligation to take initiatives to combat terrorism and xenophobia. Specific funding was earmarked for that action by the federal authorities. A prize was awarded each year to the authorities which had contributed most to preventing xenophobia. The measures taken were fairly simple. A monitoring mechanism had been set up, using indicators to measure the results of the actions carried out.

Marc COOLS (Belgium, L, ILDG) noted that numerous European countries were confronted with the rise of extremism and populism. However, many of the parties exhibiting those extremist tendencies had a veneer of respectability and claimed to be democratic, unlike the Golden Dawn party, which openly engaged in an obscene cult of Nazism. It was particularly worrying to see this party continue to rise in the opinion polls, despite some of its members being charged with murder. Mr Cools wondered whether the reasons for its success were to be found solely in the economic crisis, or whether they were also linked to a certain loss of bearings and an identity crisis. It was true that in times of crisis people looked for a scapegoat, be it foreigners, the unemployed or anyone who was

simply different. But there were certainly other explanations as to why a party so grotesquely fanatical was so successful.

Marc Cools stressed that countries like Belgium, which were less beset by economic difficulties, should show Greece solidarity to help it through this difficult period. It was by helping Greece in its economic and social reconversion that situations where extremist parties thrived and attracted imitators in other countries could be avoided.

Xavier CADORET (France, L, SOC) noted that the mayor of Athens had called for action with the full force of legitimacy conferred by the rule of law and that, under the Greek constitution, members of Parliament lost their mandates if definitively convicted of an offence. Members of the Golden Dawn party had now been arrested and had their public funding taken away. Mr Cadoret asked Yiorgos Kaminis what constitutional provisions should be adopted to protect democracies from this kind of extremism.

Josef NEUMANN (Germany, R, SOC) thanked Ms Balent for her excellent presentation and cited the example of territorial authority initiatives in North Rhineland-Westphalia. There were massive problems in this region, where a clandestine hard core of racists had killed many young people. The region had set up an anti-extremism mobile unit, run by NGOs well established in the region and operating in five constituencies respectively, chiefly in the towns and cities experiencing the worst problems. The municipal resources used to network the unit gave it the means with which to react. Its task was mainly to gather information on all extremist incidents and pool thoughts on it. The unit worked with the police, which responded swiftly to incidents. This strategic approach should achieve better results than merely making statements. These initiatives were funded by the region, the Federation and some of the municipalities.

Luzette WAGENAAR-KROON (Netherlands, L, EPP/CCE) thanked both speakers, who had provided food for thought with regard to the identity crisis and loss of values. Everyone should work on those values. She wondered on which level these questions might be dealt with most effectively and how best to coordinate local initiatives.

Oleksiy HONCHARENKO (Ukraine, R, SOC) emphasised that the issue of political extremism was closely linked to the economic crisis. It was this crisis that had provided a platform for extremism. Radical tendencies were now more active and popular throughout Europe. This was an eminently dangerous phenomenon. Uncompromising action had to be taken against political extremism. He wished the Congress of Local and Regional Authorities to issue a specific declaration on this question.

Gabriele NEFF (Germany, L, ILDG) was concerned by the rise of right-wing extremism. She came from Munich, where the Nazi movement had originated, and felt that the municipality of Munich had a special responsibility to assume in this area. In the last municipal elections, under cover of an initiative entitled "stop immigration", a representative of the NPD had been elected to the municipal council. The municipality of Munich had created an institution to combat extremism, which distributed information documents to the public and particularly to young people in schools. The Munich Alliance for tolerance had also been set up, as well as an alliance with the slogan "let us be strong and make our voices be heard against neo-Nazi statements". The Association of German municipalities and the *Landkreistag* had got behind these schemes and called for more public information initiatives against extremism. Gabriele Neff thought that teachers should be asked to counteract the resurgence of extremism and she also called on all those present to combat this phenomenon.

The PRESIDENT invited the two guests of the Congress to reply to this initial series of questions.

Magali BALENT, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, France, in reply to Ms Wagenaar-Kroon, said that extremism was rampant at all levels. Speaking of a nation-state did not stop extremists operating at infra-national level. Accordingly, there was no one level more effective than any other for combating this phenomenon. Action had to be taken at all levels. It was crucial to put forward alternative proposals that could be pitted against the programmes promoted by these parties at every level.

Yiorgos KAMINIS, Mayor of Athens, Greece, reviewed the causes underlying the success of the Golden Dawn party. In 2009, that party had not even managed a score of 1% and yet in 2012 it had won 7% of the votes cast. At present, despite all the revelations concerning its criminal activities, its voter base was not diminishing, which might seem strange to many. Yiorgos Kaminis pointed out that in Greece there had always been a far-right-wing tendency in the political sphere but, previously, there had never really been a party that openly expressed such leanings. Economic growth and substantial turnouts in elections had hidden that latent tendency. However, in the 1980s, the political system had already lost a degree of credibility in the eyes of the public, who no longer necessarily respected politicians but still voted for them, often for motives linked to clientelism. The entire system had collapsed with the advent of the economic crisis. Individuals who had enjoyed a comfortable standard of living had become jobless overnight and been plunged into poverty. It was then that this party, declaring itself hostile to the political class, had emerged.

Another reason for its success was related to migration, and particularly the concentration of illegal immigrants in certain working-class districts. The Golden Dawn party had set itself up as the champion of the Greek residents of those districts. The unprecedented rise in illegal immigration and crime had created a real problem and Golden Dawn had seized the opportunity to step into the breach.

Mr Kaminis also mentioned a degree of humiliation felt by the Greek people in a situation rather similar to the one prevailing in Germany after its defeat in the First World War. The measures taken by the Troika (European Union, European Central Bank and IMF) had imposed an unprecedented austerity policy to force Greece to repay its debts. A section of the population had perceived those measures as a humiliation.

Mr Kaminis said that a political party could not be banned under the Greek Constitution and it would be pointless, in any case, to ban a party with a strong base of voters. The pro-Islamic party previously banned in Turkey had transformed itself into another party and won the elections. He reiterated the point made by Ms Balent that condemning the *Front national* in France as a fascist party did not dissuade people from voting for it. It was a similar situation with Golden Dawn: voters identifying with that party did not care about accusations of fascism. Yiorgos Kaminis concluded that the emphasis had to be more on education than the legal framework, with a view to creating a fairer society. The political system had to be renewed in order to do this.

Stavros YEROLATSITES (Cyprus, L, NR) noted that the forces of extremism were spreading throughout Europe and collaborating with one another. A leading member of the Golden Dawn party had admitted to helping set up a similar party in Cyprus. This was a rather worrying situation. The austerity drive, increased individual poverty and the rise of unemployment, particularly among young people, were undermining the credibility of the traditional political parties, which opened the way for parties advocating extremist ideologies. Stavros Yerolatsites thought that local authorities had to take initiatives, particularly to help the poorest communities.

Michel GUEGAN (France, L, NR), recalled that the Congress had stepped up its efforts to raise awareness among local and regional elected representatives of the implementation of human rights. Local authorities had responsibilities in this area, as holders of public authority prerogatives. Michel Guégan asked Magali Balent if she thought that better training for elected representatives and giving them greater responsibility in the area of human rights could form the beginnings of a response to the rise of extremism in Europe, which was a real threat to democracies.

Dorin CHIRTOACA (Republic of Moldova, L, EPP/CCE) noted that the population of Athens had suffered greatly from an economic point of view in recent years and asked Yiorgos Kaminis whether, as mayor, he thought he had adequate capabilities to carry out the necessary social policies and uphold the values of democracy, particularly the desire to "live together"? What had to be done to maintain community cohesion, overcome the crisis and create the hope of a better life tomorrow?

Urs WÜTHRICH-PELLOLI (Switzerland, R, SOC) noted that Ms Balent's analysis had highlighted the development of extremist parties on the one hand and a shift towards greater regionalisation, sometimes to the point of separatism, on the other hand. He wondered whether there was a risk of these two ideologies merging, resulting in increased majorities of people supporting these tendencies.

Julia COSTA (Portugal, L, EPP/CCE) noted that Yiorgos Kaminis had mentioned the treatment of Greece during the sovereign debt crisis and this had been a major factor in the rise of the far-right in that country. What kind of renewal of the political system could be effective in neutralising the rise of extremism in Greece and Europe?

Leen VERBEEK (Netherlands, R, SOC) stressed that the economic crisis fuelled extremism, as could be seen in the Netherlands. How could European solidarity be strengthened to counteract these tendencies? Leen Verbeek suggested setting up a network of capital cities against extremism, providing a means of mutual support and exchanges of good practices.

John WARMISHAM (United Kingdom, L, SOC) reiterated that extremism had previously taken the European continent down the path to horror. Since then, societies based on democratic values, respect for human rights and the rule of law had emerged but he wondered whether those values were sufficiently well rooted in society to resist extremism. He also wished to thank the mayor of Athens for classifying the United Kingdom Independence Party as an extremist party: regardless of what could be read in the popular press, that party was truly an extreme right-wing party.

Magali BALENT, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, France, responded to the earlier suggestion of better training for local elected representatives by saying that training initiatives of this kind could be useful, if only to clarify the concepts. The political class was overly inclined to lump everything together and see extremists everywhere. It was important to identify where the real dangers lay.

Regarding the potential risk of mergers between the different forms of extremism, Magali Balent said that there were fundamental divergences between regionalist nationalism and national populism, which ruled out any mergers at present, since one was a negation of the other. In France, for example, the *Front national* was devoted to the nation-state and rejected the region as a self-governing entity. An attempt to establish closer links between the Catalan party *Convergència i Unió* and the *Front national* had failed, as the latter was radically opposed to regional autonomy. The two movements were also opposed over the question of the European Union, as regional nationalist parties tended to be in favour of the Union while national populist parties were Europhobic.

Finally, as to whether democratic values and respect for human rights were sufficiently well rooted in society, Ms Balent thought that they were but that they only functioned well in a context of peace and prosperity. Europe's populations were ill-prepared to uphold them in an economically and culturally difficult context. The European Union had been built on those values in the wake of the Second World War in a climate of restored peace. Our current leaders had not experienced that war, and the notion of peace was not enough to make them want to define themselves as pro-European and radically opposed to political extremism. Magali Balent stressed that political extremism was often such a distant concept in people's minds that this reference was sometimes ignored. The crisis, with its multiple facets - economic, social, cultural and identity-related - was jeopardising democratic values. Despite having integrated those values, the people of Europe were unaware of what they were supposed to mean in a time of crisis. A way had to be found of ensuring that those values could be sustained in people's consciousness, even at difficult times.

Yiorgos KAMINIS, Mayor of Athens, Greece, pointed out that the feeling of humiliation he had mentioned was just one reason among others explaining the rise of the neo-Nazi party in Greece. He thought it a good idea to set up a network of European cities for exchanging experiences in combating racism. Indeed, the municipality of Athens had forged contacts with its counterpart in Amsterdam, which could draw on a certain experience in this field. Mr Kaminis stressed that the Golden Dawn party had emerged very quickly. Its emergence had various causes and hinged on an ideology that did not accept that anyone could be different. Action had to be taken at the level of education but sweeping reforms of the Greek State and its economy were also required.

Spiridon TZOKAS (Greece, L, ILDG) asked Ms Balent whether she thought that the different forms of nationalism she had mentioned were as dangerous as fascism. He also wondered about the diversification of profiles of the people who voted for such parties and the difference between the profile of voters and that of those parties' leaders. Finally, he asked Ms Balent about her comment that far-right parties were not necessarily to be labelled as fascists. Where Mr Kaminis was

concerned, Spiridon Tzokas said that, in Greece, there was a longstanding theory that citizens' demands were influenced by two extremes, the far-right and the far-left, and he wished to know what Mr Kaminis thought of that theory.

Magali BALENT, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, France, pointed out that fascism referred to a particular period of European history, which had genocide as its back-drop. Accordingly, accusing a party of fascism was no trivial matter. Fascism referred to a totalitarian, anti-democratic ideology, which was not the one followed by national populist parties that some people called fascists. It was true that some of them had values that might be considered anti-democratic but they went along with democracy. The situation was complex.

Except for a radical fringe, those who were voting for these parties today had switched support from the traditional parties. Extremist parties were often seen as extending across class divides, appealing to a highly diverse population and not actually conveying a fascist heritage themselves, except where a few extremely radical individuals were concerned. Calling these parties fascists was tantamount to accusing their voters of being fascists. Ms Balent warned against falling into the trap of demonising such parties, which was not yielding results. Voters labelled fascists were still voting for these parties; they either ignored the label or did not believe it or realised that it was a political strategy to discredit the party in question. Ms Balent thought that there was a risk here of becoming locked into a mind-set that ultimately did a disservice to the cause to be upheld.

The PRESIDENT thanked Ms Balent for her enlightened contribution to the debate.

Klearchos PERGANTAS (Greece, R, SOC) emphasised that there was a link between local and regional authority funding, which he had been debating the previous day, and the rise of extremism. Funding for his authority had been cut by 60%. At the same time, the Golden Dawn party had emerged. It was true that the phenomenon had numerous underlying factors, but it was no accident that this party's voter base had boomed since 2009. The latest polls gave it as much as 13% or 14% of the Greek electorate. Mr Pergantas was convinced that the advent of Golden Dawn was down to the economic crisis. To his knowledge, this openly neo-Nazi party had no equivalent in other European countries. Mr Pergantas thought that austerity, if it was necessary, had to be accompanied by recovery measures. Greece had lost 24% of its GDP as a result of the recession. He was sure that when Greeks eventually saw some hope of economic recovery, Golden Dawn's voter base would diminish.

Charikleia OUSOULTZOGLOU (Greece, L, SOC) said that the State had fallen short in terms of social policy and public services. The members of Golden Dawn cast themselves as "good Samaritans", dispensing services previously provided by the State. This party launched frequent and extremely vicious attacks against immigrants, claiming that they were the cause of unemployment, at a time when young Greeks straight out of training were leaving the country. Ms Ousoultzoglou thought that successive Greek governments did not make enough use of local authorities' potential for promoting social cohesion. If the territorial authorities had been able to play their role, they would never have allowed far-right forces to come to the fore when communities were suffering. Ms Ousoultzoglou stressed the need to reinforce local authorities so that they could provide social services. She asked to what extent the Congress of Local and Regional Authorities could help those authorities make their voice heard at national level.

The PRESIDENT said that he had to close the list of speakers and invited the two guests to conclude the debate.

Yiorgos KAMINIS, Mayor of Athens, Greece, said that he did not share the optimism of one of the speakers that the Golden Dawn phenomenon would come to an end when the recession tailed off. He thought that there was a very deep-seated resentment of parliament, which, in the best-case scenario, might level out with an economic recovery. He emphasised that Golden Dawn had enjoyed a meteoric rise, which explained why the party had not yet learnt how to present a softer image as other far-right parties had done elsewhere in Europe. He himself had come close to being punched by a Golden Dawn MP.

Mr Kaminis was sceptical towards the theory of two extremes mentioned by another speaker, which, in his view, had not been borne out by history. In all events, it was clear that action had to be taken against violence, wherever it came from. Mr Kaminis believed in democracy and in the peaceful confrontation of ideas.

Magali BALENT, Project Manager and Research Fellow on extremism and nationalism in Europe at the Robert Schuman Foundation, France, agreed with Yiorgos Kaminis and thought that, even if the economic crisis was brought under control, it would not mean that extremist parties would disappear from the European scene. It was true that today these parties were becoming more radical and expanding as a result of the recession, but they were above all rooted in an identity crisis which was not directly linked to the economic crisis.

The PRESIDENT said that the Congress members who had been unable to take the floor could deposit the text of their statement with the Congress secretariat for inclusion in the report of the session. He pointed out that the debate that had just taken place was a credit to the Council of Europe's fundamental values and called on the participants to applaud the two guests.

The President said that he had to vacate the chair, which would be taken over by Anders Knappe.

Anders Knappe (Sweden, L, EPP/CCE) took the chair at 18.03.

5. PROSPECTS FOR EFFECTIVE TRANSFRONTIER COOPERATION IN EUROPE

[CG(25)9PROV]

The PRESIDENT invited the members of the Congress to examine the Governance Committee report on effective transfrontier cooperation in Europe.

Breda PEČAN (Slovenia, R, SOC), rapporteur, recalled that in 2012 the Governance Committee had run a seminar in collaboration with the Tyrol region on multi-level governance in transfrontier cooperation, which had looked at case studies of transfrontier cooperation in Austria, Germany and Ukraine and taken stock of Congress activities in this area. It had been decided to draw up a resolution to give a strategy line for the future work of the Congress in this sphere.

Transfrontier cooperation had evolved in recent years, from informal exchanges to more structured projects based on cooperation platforms. A certain pragmatism was apparent, with a desire to seek practical solutions to shared local problems, thanks to the increasing mobility of Europe's citizens. National borders were now seen more as reservoirs of unlimited potential, rather than obstacles to cooperation. The financial crisis had shifted emphasis onto the potential profitability of transfrontier cooperation, as local and regional authorities tried to pool resources to avoid duplication on either side of the border with regard to costly infrastructures in areas such as public health or education.

However, as those projects developed, a number of difficulties hampering transfrontier cooperation arose. The necessary steps had to be taken to ensure project sustainability, gauge added value by taking account of community views and identify the appropriate administrative level and legal structure. How could a productive working context be created with partners belonging to different institutions and different administrative cultures? A pool of knowledge had to be created, analysing the functioning of transfrontier projects and criteria governing project success. It was vital to consolidate and merge existing expertise in this area and develop indicators measuring the impact of transfrontier cooperation activities.

The report listed a number of proposals in an appendix, with a view to a possible Congress action plan. One of the main proposals was for the Congress to organise a conference bringing together the main players in this sphere in order to pool expertise. Congress members were not experts in this field and did not have the capacity to tackle such an ambitious yet indispensable undertaking. There were numerous specialised players or associations operating in this area. One of the most active was the Association of European Border Regions, which was presided by the Chair of the Governance Committee, Mr Karl-Heinz Lambertz. The Congress could provide real added value in drawing the different networks together and ensuring better coordination of activities. The national

delegations were called on to support this work and identify experts in this field. The proposed action plan should pave the way for more effective and significantly stepped-up international cooperation. A review of the action plan should be presented to the Congress in 2017.

Breda Pečan said that protocol no. 3 to the Madrid Convention, providing a legal framework for the setting up of euro-region cooperation groupings, had entered into force on 1 March 2013. The protocol had been opened for signature at the Ministerial Conference in Utrecht in 2009. Only five States had ratified it to date, meaning that most of the countries which could benefit from such a mechanism were yet to respond. An appendix containing model legal provisions for the implementation of the protocol had been prepared. The appendix should be approved by the Council of Europe Committee of Ministers in the coming months. In addition, the CDLR, a committee of governmental experts of the Council of Europe, was currently preparing a handbook aimed at removing obstacles to transfrontier cooperation, due to be completed in November before being put on-line.

Breda Pečan added that, as deputy mayor and former mayor of the Slovenian town of Izola, near the Italian and Croatian borders, she had plentiful experience, both positive and negative, of transfrontier cooperation. She hoped that the report would provide fresh impetus for all local authority politicians wishing to pursue closer and more concrete cooperation with their colleagues in neighbouring countries.

The PRESIDENT opened the debate.

Johan VAN DEN HOUT (Netherlands, R, SOC) thanked the rapporteur for her work. A survey had recently been carried out among Dutch municipalities to assess the role played by the Association of Municipalities in facilitating transfrontier cooperation. The situation differed considerably, depending on the country involved. Towns cooperating with German municipalities faced very different issues from those encountered by municipalities with cooperation projects involving Belgian towns. The Association of Municipalities served essentially as a platform for exchange. A conference was to be held in 2014 with the ministries, municipalities and regions to draw up a roadmap.

Mr Van Den Hout welcomed the idea of creating a pool of expertise in this field. It was crucial to ensure that all the players concerned participated in the network. It was interesting to note that the Dutch network provided support for cooperation between Armenia and Georgia, in conjunction with the national associations, aimed at establishing a Caucasus euro-region. Activities like this could serve as an example to supplement the efforts of the future pool of expertise. Johan Van Den Hout stressed that there was no single approach suited to all situations. Each case required different practical solutions.

The PRESIDENT said that the list of speakers was now closed and invited the rapporteur to take the floor.

Breda PEČAN (Slovenia, R, SOC), rapporteur, noted that Mr Van Den Hout agreed with the report's conclusions and that the Netherlands supported transfrontier cooperation, which augured well for a fruitful team effort.

The PRESIDENT invited the Chair of the Governance Committee to take the floor.

Karl-Heinz LAMBERTZ (Belgium, R, SOC) thanked Breda Pečan for her excellent report. The fact that the Congress was examining a report on this question for the third time showed just how important this issue was for its members. Transfrontier cooperation was undergoing a transformation, and the action plan to be implemented would provide an effective means of following up that transformation.

The PRESIDENT invited the members of the Congress to deliberate on the draft resolution, to which no amendments had been tabled. He put the draft resolution to the vote.

The draft resolution set out in Document [CG(25)9] was adopted.

6. UPDATE OF KEY TEXTS ON MONITORING AND ELECTION OBSERVATION ACTIVITIES
[CG(25)13PROV]

The PRESIDENT invited the members of the Congress to examine a compilation of texts on Congress procedures, namely three resolutions nos. 306, 307 and 353 on monitoring and election observation activities. These documents had been updated to take account of the reform of the Congress and also of its new strategy for developing political dialogue with the authorities of Council of Europe member States. The Congress was constantly striving to strengthen the impact of its recommendations and dialogue with national authorities and all those involved in monitoring and election observation exercises. The updated texts took into account the experience gained in recent years. The procedures required constant refinement to ensure high-quality work and attain the ambitious goals the Congress had set itself.

Lars O. MOLIN (Sweden, L, EPP/CCE), rapporteur, presented the three revised texts relating to the observation of elections, monitoring and post-monitoring respectively. These revisions had been approved by the Monitoring Committee on 3 July 2013.

The previous resolution on monitoring had not contained a code of conduct along the lines of the resolution on the observation of local and regional elections. A code of conduct had now been drawn up for the monitoring procedure on the basis of the conclusions of a seminar organised in 2012 for monitoring activity rapporteurs. That code of conduct would henceforth form part of the revised resolution 307. It included a diagram clearly illustrating the entire procedure. Mr Molin thanked the French delegation for its substantial contribution to the document, particularly Mr Cadoret and Mr Liouville.

These texts had been revised so that monitoring of the application of the European Charter of Local Self-Government was better synchronised with the observation of local and regional elections in the member States of the Council of Europe. These two activities generated concrete recommendations forming the basis for political dialogue with the authorities and other players in the countries concerned, known as the post-monitoring procedure. Post-monitoring must not be regarded as an opportunity to produce an additional report; it had to focus on specific points arising from monitoring or the observation of elections. Those points had to be discussed openly in working meetings. The idea was to forge a real partnership to achieve tangible progress in democracy and human rights on the ground.

Political dialogue had been launched along these lines with countries such as Ukraine, Georgia, Bosnia and Herzegovina and Portugal. Mr Molin thought that Portugal was a perfect example of fruitful cooperation with the national authorities. Where Georgia was concerned, a recommendation had been adopted by the Congress in March following a monitoring report. The Congress continued to closely follow events in that country and stood ready to start up a post-monitoring process. In parallel, it was contributing to the setting up of a Council of Europe action plan for Georgia. Post-monitoring dialogue had been opened with Ukraine. A roadmap for implementing the recommendations resulting from the monitoring report was to be established in conjunction with the Ukrainian authorities in 2014. The report was to be adopted by the Congress at the present session.

These roadmaps were a prelude to the cooperation activities of the Congress and its contribution to Council of Europe action plans established for certain countries, but their prime objective was to cater for the needs of member States in the area of local and regional democracy.

Lars O. Molin called on the members of the Congress to approve the three revised texts which were the result of a team effort on the part of the Monitoring Committee to improve its procedures, which had to be made less bureaucratic, more transparent and more effective.

The PRESIDENT opened the debate.

Gudrun MOSLER-TÖRNSTRÖM (Austria, R, SOC) thanked the staff of the secretariat who, despite their shortage of personnel, were heavily involved in monitoring and election observation work. She herself had participated in many such missions, which she saw as key opportunities to work on

the ground. Dialogue was forged during these missions with the leaders of the different countries concerned, making it possible to find common ground.

The PRESIDENT noted that there were no more speakers on the list and gave the floor to the rapporteur.

Lars O. MOLIN (Sweden, L, EPP/CCE), rapporteur, emphasised the substantial work carried out by the staff of the Monitoring Committee. However, the question of human and financial resources had to be raised sooner or later. The Secretary General of the Congress was currently considering possible solutions for increasing staff numbers within existing budgetary constraints. Fresh information should be forthcoming in the next few days.

The PRESIDENT invited the members of the Congress to deliberate on the three resolutions set out in document [CG(25)13PROV]. The first of these was resolution 306(2010) revised, relating to the observation of local and regional elections. No amendments had been tabled. The President put this resolution to the vote.

Resolution 306(2010)REV was adopted.

The PRESIDENT moved on to resolution 307(2010), revised for the second time and relating to the procedures for monitoring the obligations and commitments entered into by the Council of Europe member States in respect of their ratification of the European Charter of Local Self-Government. One amendment had been tabled by the rapporteur.

Lars O. MOLIN (Sweden, L, EPP/CCE), rapporteur, explained that the amendment was merely a technical adaptation of paragraph 26. Contrary to what might be assumed from that paragraph in its current version, the Permanent Representation to the Council of Europe of the State concerned received only a copy of the questions sent to the governmental talking partners. The change proposed by the amendment sought to reflect current practice.

The PRESIDENT noted that there were no objections to the amendment and put it to the vote.

Amendment no. 1 was adopted.

The PRESIDENT put the draft resolution, as amended, to the vote.

Resolution 307(2010)REV2, thus amended, was adopted.

The PRESIDENT put draft resolution 353(2013)REV on procedures for post-monitoring and post-observation of elections, to which no amendments had been tabled, to the vote.

Resolution 353(2013)REV was adopted.

The PRESIDENT thanked Lars O. Molin and the Monitoring Committee secretariat for their work.

7. 4TH DOSTA! PRIZE CEREMONY

The PRESIDENT announced that the Congress would now hold the fourth Dosta! prize ceremony. Mr Van Staa would preside over the ceremony from the podium.

Herwig VAN STAA (Austria, R, EPP/CCE) felt most honoured to welcome the Dosta! prize-winners. The Congress of Local and Regional Authorities had long emphasised that municipalities and regions had an important role in ensuring harmonious relations within urban districts. Roma had to be regarded as Europeans like all other citizens and therefore be granted the same rights as them. They must also be able to participate fully in the life of towns and regions.

Working with the Council of Europe Secretary General's special representative for Roma and with European towns and regions, the Congress had set up a structure for helping territorial authorities to implement sustainable policies for the integration of Roma: the Alliance of European cities and

regions for Roma inclusion. The Alliance assisted authorities with their projects and some of those projects were being awarded prizes today.

The Dosta! prize had been created in 2007, following a campaign bearing that name launched by the Council of Europe in five south-east European countries. Towns and cities all over Europe had taken an interest in the initiative and local and regional authorities in all the Council of Europe's 47 member States now competed for the prize. The judging panel had found it very difficult to choose the prize-winners, as the projects presented were all of very high quality, providing an excellent illustration of the results that could be achieved when towns and regions worked in close collaboration with the Roma community.

The municipality of Ovrnıce (Czech Republic), winner of the first prize, had developed a project entitled "Community life in Ovrnıce – an integrated approach". Different activities were proposed to its residents, including Roma citizens obviously, and this had helped to significantly improve community life in the village.

The second prize had been awarded to the city of Heraklion (Greece) for a cross-sectoral programme geared to supporting the local Roma community and organising various events aimed at combating discrimination and developing intercultural activities.

The municipality of Kocaeli (Turkey), winner of the third prize, had devised a comprehensive programme to step up initiatives for the integration of Roma. The programme was based on local solutions and placed emphasis on mobilising the different local players.

Kocaeli and Heraklion were both members of the Alliance of European cities and regions for Roma inclusion. Herwig Van Staa hoped that Ovrnıce would soon join the Alliance to share its particularly successful experience with 120 other local authorities in Europe. The core objective of the Alliance was to exchange information, enabling each authority to progress towards the goal of inclusion. Herwig Van Staa congratulated the prize-winners and wished them good luck for the future.

The PRESIDENT gave the floor to Mr Warmisham, thematic rapporteur of the Congress for Roma-related questions.

John WARMISHAM (United Kingdom, L, SOC) congratulated the three prizewinning territorial authorities for the outstanding results of their efforts to integrate Roma. They were an excellent example of the role that could be played by local and regional authorities.

John Warmisham recalled that the Alliance of European cities and regions for Roma inclusion had been launched in March 2013 by the Congress to follow up a decision taken by the towns and regions at the summit of mayors in September 2011. The Alliance currently brought together 120 towns and regions from 27 different countries. The organisation had a working group based in Strasbourg, at the headquarters of the Council of Europe. The main aims of the Alliance were to promote an exchange of experiences between the participating towns and regions and enable them to speak with a unified voice. The Alliance provided them with a platform for lobbying within the Council of Europe, and outside, in all matters relating to the local and regional integration of Roma.

The Alliance's main activity at present was implementing ROMACT, a joint project of the Council of Europe and the European Commission. This programme was aimed at building the capacity of local and regional authorities to develop and implement strategies for the inclusion of Roma. ROMACT placed emphasis on sustained policy engagement. The initiative was closely linked to another joint Council of Europe/European Commission project, ROMED 2. All these projects would be launched in an initial phase in over 30 pilot municipalities, in 5 countries. ROMACT had already been launched in Hungary, Bulgaria and Romania, and would shortly be started up in Slovakia and Italy. The Alliance also ran seminars at national and international level for the member towns and regions to enhance the exchange of good practices.

The Alliance, the European Institute of Cultural Routes and the Provence Alpes Côte-d'Azur Region were organising an international conference on 30 and 31 October 2013 in Marseille on "the European dimension of the Roma culture". The aim of the conference was to raise awareness of

Roma culture and examine topical issues as well as past problems regarding the prejudice and discrimination suffered by Roma.

John Warmisham concluded by congratulating the Dosta! prize-winners and wishing them every success in their enterprises.

Herwig VAN STAA (Austria, R, EPP/CCE) called each of the prize-winners to collect the medal and diploma awarded by the Congress. The panel had awarded this year's first prize to the municipality of Obrnice in the Czech Republic. Herwig Van Staa gave the floor to Ms Miklošová, mayor of Obrnice.

Drahomira MIKLOŠOVÁ, Mayor of Obrnice, Czech Republic, thanked the Congress for honouring her municipality after so many years spent working with and for Roma. This prize was not only for all the citizens of the municipality of Obrnice but also for the Czech Republic. Ms Miklošová thanked all her fellow citizens, including the Roma community, her colleagues and all those who had been so deserving of this Dosta! prize for their involvement, which proved that they were not indifferent to what happened to others.

Herwig VAN STAA (Austria, R, EPP/CCE) congratulated Ms Miklošová on her excellent work in her municipality. The second prize went to the municipality of Heraklion, represented by Ms Syggelaki, deputy mayor.

Despoina SYGGELAKI, deputy mayor of Heraklion, Greece, thanked the Congress for this prize, which was important for the municipal team, for the city of Heraklion but also for the whole of Greece. The country was going through a difficult period, and if a minority group such as the Roma was marginalised there was a danger that the same could happen for another part of the population. Ms Syggelaki called on all those present to strive to ensure that no group was marginalised despite the crisis and the social and political difficulties. It was essential to remain vigilant to ensure respect for human rights.

Herwig VAN STAA (Austria, R, EPP/CCE) congratulated Ms Syggelaki and called Mr Karaosmanoğlu, representing Kocaeli in Turkey, which had won third prize.

Ibrahim KARAOSMANOĞLU, Mayor of the metropolitan municipality of Kocaeli, Turkey, greeted the members of the Congress and thanked the judging panel for awarding this prize, which was of great importance to Kocaeli, home to 20 000 Roma. The measures taken had improved the quality of their life and even normalised it. The municipality had listened to the Roma community in order to understand its expectations, and studies had also been carried out. There had been extensive talks with Roma associations. Young Roma had been encouraged to undergo training and participate in sports movements and various activities. The emphasis had been on education and the active integration of Roma in social life. Roma women and men had enthusiastically taken part in these projects and shown their sense of hospitality, inviting representatives of the municipality into their homes. They were very keen for their children to receive an education. There had been real changes in their lives and today the Roma community was no longer seen as a problem. Roma were increasingly active in all aspects of life in society and also in the commercial sector. Young people were training; there were now engineers who originated from the Roma community.

Herwig VAN STAA (Austria, R, EPP/CCE) congratulated Mr Karaosmanoğlu. He invited the three prize-winners to join him for the official photograph.

The official photograph was taken.

Herwig VAN STAA (Austria, R, EPP/CCE) closed the Dosta! prize award ceremony.

The PRESIDENT thanked the prize-winners and Mr van Staa.

8. DATE AND TIME OF THE NEXT SITTING

The PRESIDENT gave the floor to Mr Konstantinov, head of the Ukrainian delegation, who wished to present the reception organised by his delegation.

Volodymyr KONSTANTINOV (Ukraine, R, ILDG), in his capacity of Speaker of the Regional parliament of the Republic of Crimea, emphasised that the debate on fighting extremism had been particularly interesting and called on all those present to combat this scourge. Unfortunately, the Republic of Crimea was also experiencing these problems, despite the region's many assets. Mr Konstantinov invited the members of the Congress to the inauguration of the exhibition on the autonomous republic of Crimea, to be followed by a reception.

The PRESIDENT said that the next sitting of the Congress of Local and Regional Authorities would take place the following day, 31 October, at 9.30.

Agreed.

The sitting rose at 18.57.

THIRD SITTING OF THE CONGRESS**Thursday 31 October 2013 at 9.30**

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The sitting opened at 9.30, with Herwig van Staa (Austria, R, EPP/CCE), Congress President, in the chair.

The PRESIDENT announced that the Association of Local Democracy Agencies was holding a meeting. It was planned to set up a local democracy agency in Dnipropetrovsk to support the development of local authorities in Ukraine. The meeting would be held that same day, from 2 to 5 pm.

1. FORMAL ADOPTION OF TEXTS APPROVED BY THE CHAMBERS

[CG(25)10]

The PRESIDENT said that the first item of business was the formal adoption by the Congress, in accordance with Rule 21 of the Rules of Procedure, of the texts approved by the Chamber of Local Authorities and by the Chamber of Regions at their sitting on 30 October. The texts in question were listed in Document [CG(25)10].

The Chair noted that there were no objections to the adoption of these texts.

The texts mentioned in Document [CG(25)10] were adopted.

2. ADOPTION OF THE DRAFT MINUTES OF THE SITTINGS OF THE CONGRESS AND OF THE CHAMBERS OF 30 OCTOBER 2013

[CG(25)PV2], [CPL(25)PV1] and [CPR(25)PV1]

The PRESIDENT invited members of the Congress to adopt the minutes of the last plenary sitting of the Congress and of the sittings of the two Chambers.

The Chair noted that there were no objections to the adoption of these minutes.

The minutes of the sittings of the Congress and of the Chambers of 30 October 2013 were adopted.

3. LOCAL AND REGIONAL DEMOCRACY IN UKRAINE

[CG(25)8PROV]

The PRESIDENT invited members to examine the report on local and regional democracy in Ukraine. He asked Michael O'Brien to kindly chair the sitting in his absence.

Michael O'Brien (Ireland, R, SOC) took the chair at 9.33.

The PRESIDENT took this opportunity to thank Mr van Staa for his contribution to the smooth running of the Congress and for the excellent image he projected of the institution. He gave the floor to the rapporteurs.

Marc COOLS (Belgium, L, ILDG), rapporteur, said that the Congress delegation had twice visited Ukraine. The first time, in May 2012, the delegation had consisted of two rapporteurs, Fabio Pellegrini and Pascal Mangin, assisted by Mr Semmelroggen, member of the Group of Independent Experts of the Council of Europe, and Ms Cankoçak, Secretary of the Monitoring Committee. The second visit had been in April 2013, with Marc Cools taking over as rapporteur from Fabio Pellegrini who had left the Congress. Mr Cools thanked Mr Semmelroggen and Ms Cankoçak for their invaluable assistance in drafting the report and organising the visit. He also thanked all the Ukrainian authorities for their hospitality and for the explanations they had given. A genuine dialogue had got under way, not only in Ukraine but also in Strasbourg because at the previous Congress session in March 2013, the rapporteurs had met the Permanent Representative of Ukraine to the Council of Europe, who had provided them with details of the local and regional government reform under way in his country.

Local self-government was very limited in Ukraine at present. The situation had changed little since the Congress's previous report in 2001. The system of government was highly centralised, even though Article 7 of the Constitution guaranteed local self-government. There was very little financial autonomy. The powers and responsibilities delegated by central government to the regional

authorities, the *oblasts*, and to the municipalities were insufficiently funded. Mayors and chairs of *oblast* councils did not have any real authority over the local administration which remained, to a large extent, dependent on central government. Kyiv, as well as other towns and cities in Ukraine, no longer even had an elected mayor. Elections were to be held in October 2015.

There were nevertheless signs that the government was genuinely committed to carrying out substantial reform. The President of Ukraine had reiterated this commitment in June 2013. A Constitutional Assembly had been set up to prepare legislative and constitutional changes aimed at further developing local and regional self-government. The Council of Regions had carried out some major work in this area. The planned reforms were currently being debated within Ukraine. Some believed that a number of initial amendments would be made to the legislation before the presidential election in early 2015, whereas others assumed that the reform would be implemented after the election. The rapporteurs were anxious that these reforms should produce practical results as soon as possible.

It was possible that Ukraine would shortly ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority. The Ukrainian parliament would begin discussing this matter in November. Quite apart from this ratification, radical reforms should be implemented so that Ukraine could enjoy greater local and regional self-government, as a potential lever for economic growth.

Pascal MANGIN (France, R, EPP/CCE), rapporteur, wished to draw attention to some of the principles that underpinned the report. There was no contradiction between a country's size and devolution. In Ukraine, however, there was some resistance to the latter on the grounds that the country was too large and the task of introducing devolution too complex. The rapporteurs further stressed that legislation alone was not enough: devolution must be reflected in action on the ground. It also meant that local and regional authorities must have access to financial resources. There did seem, however, to be a genuine interest in moving towards devolution in Ukraine. Pascal Mangin wished to thank the local government associations for providing the Congress delegation with very comprehensive explanations. He also pointed out that the national authorities were currently holding consultations with local and regional government associations about the planned reforms, in what seemed to be a credible manner.

Pascal Mangin further stressed that there were some heads of central administration who constituted a sort of opposition force and were preventing the introduction of genuine local self-government for elected authorities.

The reform would also need to address the issue of financial equalisation. As in any country, some regions were wealthier than others. The rapporteurs recommended that consideration be given to introducing redistribution mechanisms that would make it possible to improve the situation of the poorest regions.

Pascal Mangin observed that, during their visit to the Autonomous Republic of Crimea, one mayor had told the rapporteurs there was no opposition within the municipal council because local residents were happy with the way he ran the town. Pascal Mangin expressed some doubts on this score and said that care must be taken to ensure that those who were not in total agreement with the mayor had a voice. The reform should also address the outstanding issues concerning the status of the capital. Lastly, the rapporteur asked that special attention be given to ensuring better gender balance within elected bodies.

Pascal Mangin thanked the expert who had assisted the rapporteurs, Mr Semmelroggen, and also the Congress secretariat. He hoped that Ukraine would act on the report.

The PRESIDENT thanked the rapporteurs for their work and opened the debate.

Valeriy GOLENKO (Ukraine, R, EPP/CCE) noted that the Congress mission had carried out an in-depth examination of the current state of local and regional democracy in Ukraine. The rapporteurs' view echoed that of the President of Ukraine, Viktor Yanukovich, who had spoken of the need to carry out thoroughgoing reforms on the basis of the European Charter of Local Self-Government. Various milestones had already been reached with the adoption of a package of

measures. In 2013, discussions had got under way on the planned reforms. The initiative was drawing support from elected representatives and civil society at large.

Valeriy Golenko observed that the rapporteurs had shown a sound understanding of the difficulties encountered by Ukraine in implementing the European Charter of Local Self-Government. Democracy had been introduced only recently and Ukraine was moving down this path as quickly as possible. It was important that the new democratic institutions be understood and accepted by the people. Mr Golenko felt that the most important task was to optimise the representation of civil society. To this end, the government had set up a council on which all the political parties were represented, as well as the various movements, NGOs and civil society. Ukrainian local and regional government associations were working with this council, in particular the Ukrainian Association of Local and Regional Authorities led by Sergey Chernov, member of the Congress of Local and Regional Authorities. Mr Golenko believed it was vitally important to introduce European standards in Ukraine and said that this was already the case in his own municipality where community participation in decision-making was a reality. He expressed his appreciation to the Congress for the monitoring work done in Ukraine and said that the process of reform would continue in his country, so as to build a working democracy, drawing on European experience.

Volodymyr UDOVYCHENKO (Ukraine, L, ILDG) observed that Ukraine had come a long way since the Congress resolution in 2001. Back then, Ukraine had been a centralised state. Much had changed, with the help of the Congress. Mr Udovychenko thanked the rapporteurs for the tolerant and ethical way in which they had dealt with Ukraine, and also the Congress for the help it had given. He hoped that Ukraine would soon overcome its current shortcomings. The President of Ukraine, Mr Yanukovich, was clearly genuinely committed to moving down this path. He had begun by preparing a constitutional reform. This reform, which paved the way for the development of local and regional democracy, must continue. Local and regional authorities had shown that they were willing to take on new responsibilities. At central level government, there was naturally some resistance in certain quarters. In Mr Udovychenko's view, however, it was important that decisions be taken not in ministerial cabinet meetings but rather as close to ordinary citizens as possible. Ukraine must introduce genuine local and regional democracy, meaning participatory democracy. People needed to be informed about the country's legislation, which must reflect the principle of transparency. The principles of the European Charter of Local Self-Government must be observed, in particular the principle of subsidiarity.

Leen VERBEEK (Netherlands, R, SOC) observed that the reform process was advancing only slowly, with the government citing various reasons for the delay. The rapporteurs recommended that the government step up the pace of reform. Mr Verbeek wondered what steps the Council of Europe could take to help the reforms proceed more swiftly. Was the Congress's recommendation likely to move things forward?

The PRESIDENT called on the rapporteurs to reply to the various comments.

Marc COOLS (Belgium, L, ILDG), rapporteur, said that the Council of Europe was paying close attention to Ukraine and that an action plan had been introduced, with the backing of Sweden, Switzerland and Denmark. With regard to optimising management, a debate was currently under way in Ukraine about the possibility of merging some municipalities. The fact was that there were a great many small entities in Ukraine and one option might be to encourage municipalities to amalgamate on a voluntary basis.

As for the pace of the reform, Mr Cools was hopeful that the Congress report would indeed help to move the situation forward. He was due to travel to Kyiv on 11 November to attend a symposium at which he would present the conclusions of the report. It was important, however, that the recommendations made be followed through. In Mr Cools's opinion, a crucial factor in the reform process would be the speed with which the President of Ukraine signed the "concept paper", or blueprint for reform. If this happened soon, the process would almost certainly get under way very quickly. If the concept paper were not signed soon, however, the outlook was less favourable. Mr Cools expressed the hope that the Congress would keep an eye on the situation. The reform in question was genuinely in keeping with the principles of the European Charter of Local Self-Government but it was vital that the initial stages get under way in 2014.

Pascal MANGIN (France, R, EPP/CCE), rapporteur, thanked the Ukrainian representatives for their comments. He said that, while it was clearly essential that legislation be enacted, this was not enough. It was the way that legislation was implemented that would provide a true measure of the quality of the reform. Consultation with civil society would seem to be a step in the right direction since devolution was also, and indeed primarily, a state of mind.

In response to Leen Verbeek, Pascal Mangin hoped that the recommendations set out in the report would actually be implemented. He said he was confident that, if Congress kept up its friendly pressure, all the hard work would eventually pay off. The dialogue initiated with the Ukrainian authorities seemed to be fairly positive. Ukrainian local authorities and local government associations would no doubt make their voices heard.

The PRESIDENT invited Congress members to examine the draft recommendation, for which no amendment had been tabled. He put this draft recommendation to the vote.

The draft recommendation contained in Document [CG(25)8] was adopted.

The PRESIDENT said that, under Rule 27 of the Rules of Procedure, a motion containing a draft resolution and recommendation on the Lampedusa tragedy and the emergency in the Mediterranean had been prepared by the Congress Bureau and submitted to the Table Office. The President invited all Congress members to sign so as to lend weight to the declaration in an effort to avoid further tragedies.

John Warmisham (United Kingdom, L, SOC) took the chair at 10.02.

4. LOCAL AND REGIONAL DEMOCRACY IN ALBANIA

[CG(25)11PROV]

The PRESIDENT invited Congress members to examine the report on local and regional democracy in Albania.

Ždenek BROŽ (Czech Republic, L, ECR), rapporteur, announced that he had taken part in the monitoring visit to Albania as rapporteur on local issues, together with Åke Svensson, rapporteur for regional issues. Unfortunately, Mr Svensson was unable to be present that day. Mr Brož thanked David Melua, the expert who had assisted the Congress delegation, and also Ms Cankoçak for her assistance. The mission to Albania had taken place from 12 to 14 December 2012. In Tirana, the delegation had met with the Minister of the Interior, the Director General of Budget, members of Parliament, the President of the Constitutional Court, the Director General of the State Supreme Audit Control, the Mayor of Tirana, representatives of the associations of local and regional authorities and representatives of international organisations. The delegation had also travelled to Elbasan where it had met the mayor and regional councillors. The trip to Pogradec had had to be cancelled because of heavy snow. The delegation had, however, had very interesting discussions with a group of mayors who had travelled to Tirana, including the mayor of Pogradec.

The report followed on from the recommendation adopted by the Congress in 2006. Since then, the Albanian system of local and regional self-government could be considered to have abided by the principles of the European Charter of Local Self-Government. A regional development fund had been set up and had helped to reduce disparities between the various local authorities.

There were, however, still some concerns. For example, the partisan behaviour of local government leaders was preventing them from finding consensus inside local government associations.

Also, there were no clear rules governing the consultation of local government associations by central government. The regional councils and prefects, furthermore, existed as parallel structures in each region, and it was unclear what their individual competences were. Generally speaking, there was a need to clarify the structure and competences of local and regional authorities. Local authorities did not have financial resources commensurate with their competences. They were heavily dependent on financial assistance from the State and suffered when the central government decided to cut

unconditional grants in certain cases. The city of Tirana was a major economic and cultural centre but it did not have the financial instruments required to enable it to function properly as a capital.

The rapporteurs had therefore made a series of recommendations for the Albanian authorities. They advocated embarking on a reform of the territorial system that would allow communes and municipalities to perform their tasks, particularly in the area of spatial development and urban planning. The principle of subsidiarity must be properly implemented. It was recommended that the government revise the existing legislation to clarify the competences of local and regional authorities. In particular, there was a need to clarify the respective areas of competence of the prefects and the regional councils so as to avoid parallel structures and duplication. The rapporteurs further recommended setting up a unified administrative structure accountable to the regional council as well as introducing direct and universal elections for the regional council. The government was asked to consolidate the institutions at regional level and reform the system of regional finances, in order to create an efficient administration and genuine self-government at this level.

The process of consultation of local authorities by the central authorities should be formally enshrined in law. The consultations should take place in due time and in an appropriate way, on matters which concerned local authorities directly. The government should also ensure that supervision over local authorities did not turn into disproportionate control over local government affairs, as such control was liable to undermine local self-government.

The legal status of Tirana should be improved to provide the capital city with the relevant financial, fiscal and budgetary instruments to allow it to perform its function. Lastly, the report asked the Albanian government to 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.

The PRESIDENT thanked the speaker and opened the debate.

Tahsim MEMA (Albania, R, EPP/CCE) was pleased at the report's finding that the Albanian system of local and regional democracy was, for the most part, in line with the principles of the European Charter of Local Self-Government. This system was the result of contributions from all the actors involved, local, national and international. It was vital that the status of local or regional elected official be seen as a key factor in democracy.

Mr Mema also said, however, that the new government in Albania had recently adopted measures that were in flagrant breach not only of the European Charter of Local Self-Government but also of the Albanian Constitution and the judgments handed down by the Constitutional Court. These decisions called into question the authority of elected representatives, and sowed the seeds for a violation of local democracy. The new government had decided to withdraw mayors' powers with regard to building permits. Albania's Constitutional Court, however, had clearly stated a few years previously that only a court could set aside a local authority decision relating to town planning. The Court had further ruled that local authorities also had the power to decide whether buildings should be demolished. Mr Mema felt that the Council of Ministers decree, under which an ordinary government official could order a building to be demolished, amounted to an abuse of power.

Eglantina BEGTESHI (Albania, R, EPP/CCE) felt that the conclusions contained in the report were very helpful from a local democracy perspective. The rapporteurs reiterated that decisions must be taken at the level closest to the citizen. They noted that the Albanian authorities were genuinely working with the Congress and that a number of reforms had been introduced in recent years in Albania. These reforms should allow the country to move down the path to European integration. The measures taken should be seen as a first step in the process of administrative and territorial reform.

Ms Begteshi felt that the European Charter of Local Self-Government needed to be applied in full. At present, not all local and regional authorities were directly elected. There was also some dissatisfaction with the new government's centralising tendencies, which would undoubtedly hamper Albania's bid to join the European Union. The Socialist majority was intent on driving through changes to the composition of local and regional elected assemblies, in a way that threatened to undermine local and regional democracy in the region. Ms Begteshi believed that, if it carried on like this, the new government would take the country back to the Soviet era. A series of measures were being adopted to "muzzle" local and regional authorities and prevent them from doing their job. These actions were in

flagrant breach of European standards and the European Charter of Local Self-Government. Ms Begteshi feared that, if nobody made any effort to stand up for local and regional elected representatives, the Congress's recommendations would go unheeded.

Irene LOIZIDOU (Cyprus, L, EPP/CCE) noted that the report mentioned difficulties due to the partisan behaviour of local authorities, an attitude that was preventing them from building a consensus. She asked for further information on this subject.

Andrew BOFF (United Kingdom, R, ECR) welcomed this positive report on Albania and the fact that, for the first time, a monitoring mission had been led by a representative of the European Conservatives and Reformists Group. This group wished to play an active role within the Congress. Mr Boff wondered whether there was anything the Congress could do to bring the various local government associations closer together. If these associations were divided, they would be in a weak position in relation to the government and unable to campaign effectively for local democracy. Might the Congress act as mediator between these associations, to help them understand that the principles of local democracy were more important than disputes over local policy?

Merita JEGENI YILDIZ (Turkey, R, EPP/CCE) said the report was of particular interest to her as she was of Albanian origin. She thanked the rapporteurs for the calibre of their work. They had formed a clear understanding of how things stood in Albania. Ms Jegeni Yildiz hoped that the Congress would monitor the implementation of the recommendations carefully because the situation in the country had grown more tense recently. It was important that the Congress keep the situation under close review.

The PRESIDENT invited the rapporteur to reply to the speakers.

Ždenek BROŽ (Czech Republic, L, ECR), rapporteur, thanked the members of the Albanian delegation for their statements, which echoed the conclusions of the report.

In response to the other speakers, Mr Brož explained that there were currently four local government associations in Albania: one representing communes, one – regions, and two representing municipalities, one right-wing, the other left-wing. It had been suggested that a forum for dialogue with these associations be set up. Overall, the mayors seemed to be in favour of this idea but some were not convinced. The next step would be to hold a meeting to determine the practical framework for such a forum.

The PRESIDENT closed the debate and invited Congress members to vote on the draft recommendation. Two amendments had been tabled.

Mihkel JUHKAMI (Estonia, L, EPP/CCE) presented Amendment No. 2. He said he agreed with the rapporteurs, but that he wished to present two drafting amendments. The first was to replace the terms “small communes” with “communes and municipalities”.

The PRESIDENT noted that there were no objections to this amendment.

Ždenek BROŽ (Czech Republic, L, ECR), rapporteur, said he supported the amendment which was in keeping with the substance of the report.

Lars O. MOLIN (Sweden, L, EPP/CCE), speaking as Chair of the Monitoring Committee, likewise endorsed the amendment.

The PRESIDENT put Amendment No. 2 to the vote.

Amendment No. 2 was adopted.

Mihkel JUHKAMI (Estonia, L, EPP/CCE) presented Amendment No. 1. He noted that the Council of Europe had introduced a programme on strengthening local government structures and co-operation with local officials, in which the Congress was involved. He asked that a reference to this project be included in the recommendation.

The PRESIDENT noted that there were no objections to this amendment.

Ždenek BROŽ (Czech Republic, L, ECR), rapporteur, said he was in favour of the amendment.

Lars O. MOLIN (Sweden, L, EPP/CCE) felt that the project in question was very important and deserved a mention in the report. He was therefore in favour of the amendment.

The PRESIDENT put Amendment No. 1 to the vote.

Amendment No. 1 was adopted.

The PRESIDENT put the draft recommendation, as amended, to the vote.

The draft recommendation contained in Document [CG(25)11], as amended, was adopted.

Gaye Doganoglu (Turkey, L, EPP/CCE) took the chair at 10.29.

5. LOCAL AND REGIONAL DEMOCRACY IN DENMARK

[CG(25)12PROV]

The PRESIDENT invited Congress members to examine the report on local and regional democracy in Denmark.

Julia COSTA (Portugal, L, EPP/CCE), rapporteur, thanked the Chair of the Monitoring Committee, Lars O. Molin, for his support and also the Congress secretariat for the professional way in which it had carried out its task, in particular Stéphanie Poirer. The Congress delegation's visit to Denmark had taken place from 2 to 5 October 2012. The relatively long period that had elapsed between the mission and presenting the report was due to a few differences of opinion, which the explanations provided by the Danish authorities and the discussions held within the Monitoring Committee had helped to resolve.

In the course of the mission, the rapporteurs had met with all the usual parties. The exchange of views with the Minister for the Economy and the Interior concerning the implementation of the European Charter of Local Self-Government in Denmark had proven extremely positive. Ms Costa stressed that meetings with countries' political leaders were essential for providing an insight into the local context and how the Charter was being implemented on the ground. There had been a genuine dialogue with the Danish authorities, including with representatives of Greenland and the Faroe Islands.

These discussions had served to highlight various practices which showed Denmark had a real "Charter culture", and were worth quoting as examples. Such practices could be replicated in other Council of Europe countries, e.g. proposed mergers which could be turned into co-operation agreements where the municipalities concerned did not wish to merge, and systematic consultations with local authorities during planning and decision-making procedures directly affecting them.

The picture that emerged from the report was broadly positive, therefore. There was nevertheless one recommendation, which had been approved by the Monitoring Committee. It concerned some important points of the Charter with regard to local authorities and also the regions, whose situation had been examined under the Reference Framework for Regional Democracy.

Jean-Pierre LIOUVILLE (France, R, SOC), rapporteur, presented the draft recommendation. He pointed out that, since the last Congress report in 2005, the Kingdom of Denmark had introduced, in 2007, a major local government reform. This reform had produced some good practices, such as the procedure for amalgamating municipalities, consultations with local authorities in decisions directly affecting them, and the participation of citizens in local public life. Denmark did indeed have a genuine "Charter culture". Mr Liouville noted that often, when visiting countries, rapporteurs found there was insufficient awareness of the European Charter of Local Self-Government. He hoped that in the years to come, more and more states would follow Denmark's example and develop a genuine "Charter culture".

One of the aims of the 2007 reform had been to strengthen local democracy in Denmark. This reform had gone down very well with the Danish people, despite the reduction in the number of municipalities. It seemed to be working: the municipalities had been assigned new responsibilities, previously exercised by the old “counties”, now replaced by five regions, and with these new responsibilities had come new resources. If anything, the reform seemed to have increased citizen participation, and a wide range of models for participation had been successfully implemented across the country.

While, overall, the principles of the Charter were well respected in Denmark, some points required attention. Local authority responsibilities, for example, were not always laid down by statute, potentially creating confusion and in some cases tensions between the different levels of governance. It could also lead to duplication or overlap in terms of responsibilities.

With regard to the financial aspects, the Danish financial system was well structured and pragmatic. Financial equalisation provided facilities for the less well-off municipalities, although the ceiling on contributions established for a four-year period did not always meet the needs of the municipalities and, more especially, the needs of the regions. Municipal access to the capital markets could also stand to be reviewed.

The rapporteurs were not convinced the regions had sufficient autonomy to cope with future challenges because they had restricted powers and responsibilities and were unable to levy taxes or obtain financial resources other than contributions allocated by the State. This was an important factor in well-balanced, properly functioning national institutions.

Mr Liouville also pointed out that an additional protocol to the European Charter of Local Self-Government had been adopted in 2009, on the right to participate in the affairs of a local authority. The rapporteurs urged the Danish government to sign and ratify this protocol.

Mr Liouville concluded that the situation with regard to local and regional democracy in Denmark was generally positive. He thanked the members of the Danish delegation to the Congress and in particular the head of the delegation, Knud Andersen. He also thanked the co-rapporteur Julia Costa, as well Stéphanie Poirel and the rest of the secretariat staff.

The PRESIDENT thanked the rapporteurs and opened the debate.

Knud ANDERSEN (Denmark, R, ILDG) thanked the rapporteurs for their efforts. Usually a Congress report afforded local elected officials a means of putting pressure on their government to grant local authorities more responsibilities. That was not really the case with this report, which put the emphasis on Danish good practice.

The rapporteurs had been able to see for themselves the effects of the structural reform introduced a few years earlier. Mr Andersen felt that, following this reform, the level of local and regional democracy had declined somewhat, even though the powers and responsibilities of local and regional authorities were fairly extensive.

Knud Andersen singled out three of the recommendations that appeared in the report, starting with the suggestion that the Danish authorities should define more clearly the areas of responsibilities of local authorities. Mr Andersen agreed that these areas of responsibility were in some cases ill-defined and that the recommendation was entirely legitimate. Naturally, it was important the financial resources allocated be commensurate with the competences exercised. The report further observed that the regions had fewer responsibilities since the reform and suggested that the government review this aspect. Mr Andersen said he was delighted with this recommendation.

The report also advocated in-depth dialogue with the authorities of Greenland and the Faroe Islands, which would like to forge closer ties with the Congress. Mr Andersen said that discussions were under way to establish whether representatives of these territories wished to join the Danish delegation to the Congress. It seemed that, for now, what these representatives mainly wanted was to be informed about what was happening in the Congress.

Lars O. MOLIN (Sweden, L, EPP/CCE), speaking as Chair of the Monitoring Committee, wished to endorse the report, which was extremely positive, the most positive, indeed, of all the reports that had been examined by the committee. Mr O. Molin said it was important to highlight positive aspects, and not just to criticise. The report provided some excellent examples of the Charter in action, which could perhaps be exported to other countries. Echoing what Knud Andersen had said, however, he recognised that no one was perfect, not even the Nordic countries. The report accordingly contained a number of suggested improvements. Mr O. Molin asked Congress members to approve the draft recommendation.

The PRESIDENT called on the rapporteurs to reply to the speakers.

Jean-Pierre LIOUVILLE (France, R, SOC), rapporteur, addressing Mr Andersen, pointed out that the report did nevertheless contain some points that Danish local authorities could use to lobby the government. There could be no one-size-fits-all model of democracy as each country had its own culture. Denmark's practices could, however, serve as a model for other countries, although there was still some room for improvement. All over Europe, the crisis had taken its toll, with central governments tempted to take back a number of powers. The fact was, however, that local authorities were key actors in combating the economic crisis.

In Denmark, there was a need to define areas of responsibility more clearly, in order to avoid duplication and so save money. The regions, it seemed, were still a work in progress. With the exception of the health sector, they had few powers and responsibilities. In Mr Liouville's view, therefore, certain aspects could stand to be improved but, overall, the situation was very positive. He thanked Denmark for the hospitality it had extended to the Congress delegation.

The PRESIDENT invited Congress members to examine the draft recommendation, for which no amendment had been tabled. The President put the draft recommendation to the vote.

The draft recommendation contained in Document [CG(25)12] was adopted.

Herwig van Staa (Austria, R, EPP/CCE) took the chair at 10.49.

6. CLOSE OF THE 25TH SESSION BY THE PRESIDENT OF THE CONGRESS

The PRESIDENT announced that there was no further business to discuss at this, the 25th Session of the Congress. Once again, the session had proven extremely interesting, affording an opportunity for all the Congress members to share their concerns and ideas about the challenges facing local and regional democracy and about the different ways in which authorities were dealing with them.

The economic crisis, the fight against extremism, the situation in several member states, transfrontier co-operation issues, the integration of migrants and regions with special status were among the wide range of issues that had been addressed by the Congress. The highlight of the session had been San Marino's ratification of the European Charter of Local Self-Government. The Charter now covered the entire territory of the Council of Europe, thus fulfilling a long-standing ambition of the Congress.

During this session, fruitful discussions had been held on issues that were genuine sources of concern. Congress members must now continue these activities when they returned to their towns and regions. It was essential to put the ideas discussed at Congress sessions into practice and to persuade national authorities to implement them too.

Between sessions, the Congress would continue its election observation, monitoring and post-monitoring dialogue activities, as well as its co-operation programmes, its thematic activities and its partnership initiatives. The Congress's partners should be encouraged to further develop democracy throughout Europe for the greater good of ordinary people. The President called on each member of the audience to rise to the challenges ahead.

The President thanked all the participants for their contributions to the session, as well as the interpreters, the Secretary General and all the Congress staff.

The President declared the 25th Session of the Congress of Local and Regional Authorities of the Council of Europe closed.

The 26th Session of the Congress would take place in Strasbourg from 25 to 27 March 2014.

The Assembly stood for the European anthem.

The sitting rose at 10.54.