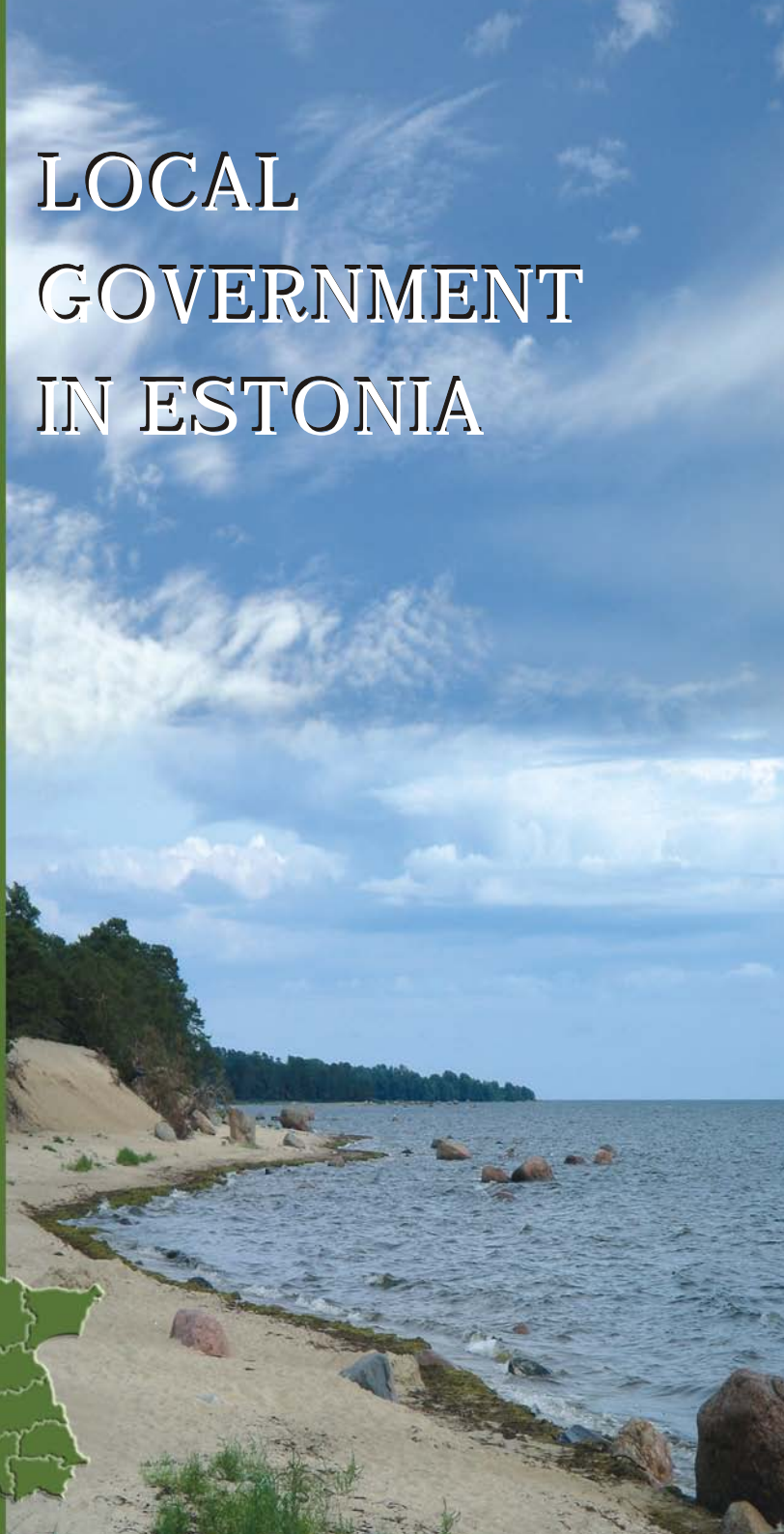


# LOCAL GOVERNMENT IN ESTONIA



TALLINN



## REPUBLIC OF ESTONIA

Area: 45 227 sq/km

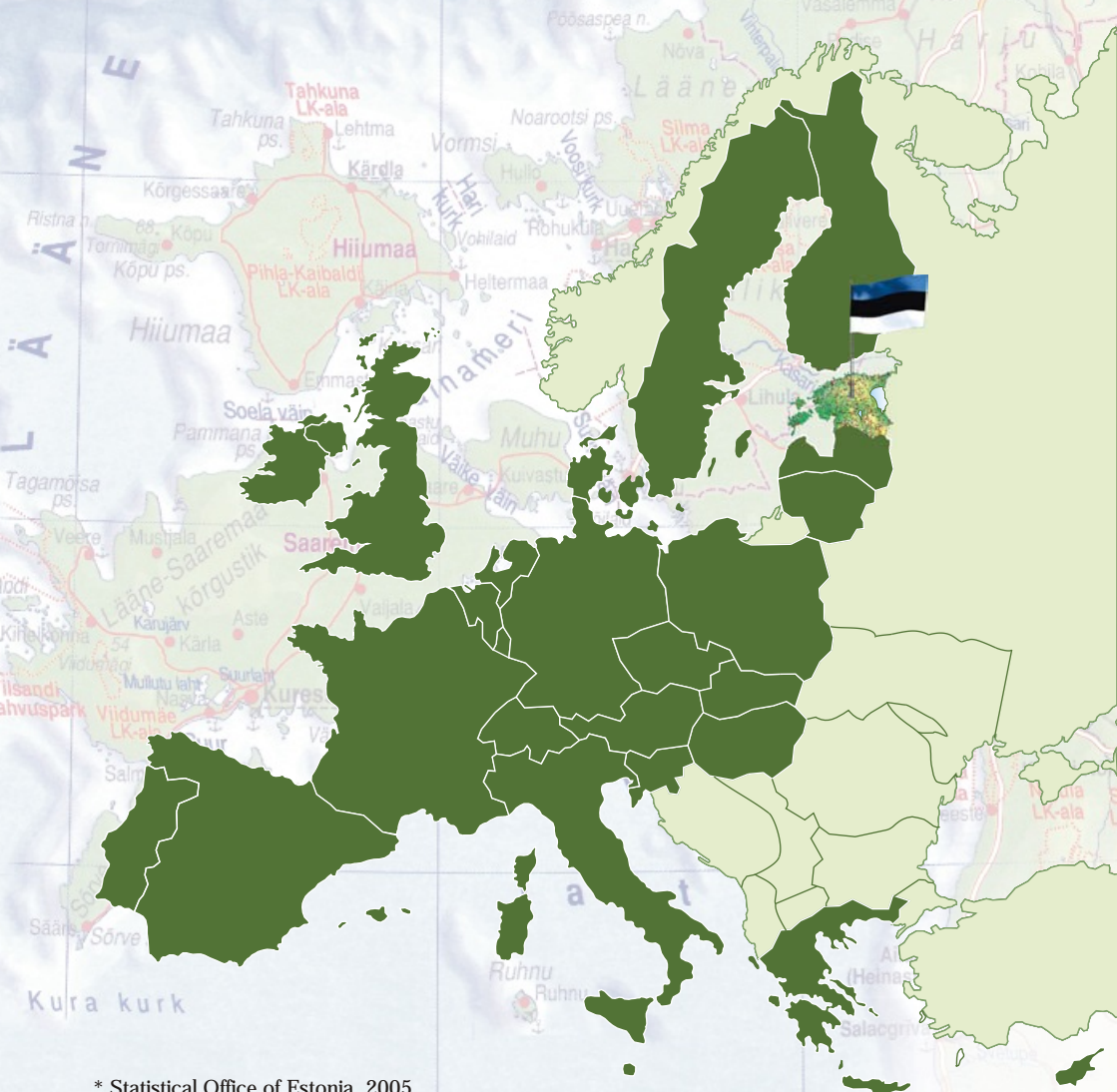
Population\*: 1 347 000

Population density: 31.2

Capital: Tallinn

Member of the EU since 2004

GDP 42.7 billion kroons in current prices



\* Statistical Office of Estonia, 2005

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## Organisation of the public sector in Estonia

Estonia is a parliamentary republic. According to the Constitution the parliament, *Riigikogu*, is the legislative organ of the Republic of Estonia. *Riigikogu* consists of 101 members, representatives of the people, who are elected every fourth year. The head of the state is the president who is elected every fifth year. The supreme executive power is vested in the Government of the Republic.

County governor (*maavanem*), who is a representative of the central government, implements central government policy on regional level. The Government of the Republic appoints the county governor to the office for the term of five years. County administration (*maavalitsus*) serves as the administrative apparatus of the county governor. In addition, several ministries and boards have local offices on the regional level in order to fulfil specific executive functions.

All local government units – towns (*linn*) and rural municipalities (*vald*) – are equal in their legal status.\* Because of the one-tier local government system there is no directly elected representation of people on regional level. In each county a regional association of local authorities may be formed. At national level there are two associations that represent common interests of local authorities: The Association of Estonian Cities and the Association of Municipalities of Estonia.

\* English language terminology in the field of Estonian local government has not been unified. In Estonian there is no single equivalent to the term municipality. In legislation a differentiation is made between local government units (*kohaliku omavalitsuse üksus/kohalik omavalitsus*) such as town/city (*linn*) and rural municipality (*vald*). The term *valitsus* has been translated both as government and administration.

### Public administration in Estonia



## Administrative Division of the Territory of Estonia

The Territory of Estonia Administrative Division Act provides the administrative division of the territory of Estonia and the procedure for its alteration. Estonian territory is divided into 15 counties. There are 227 local government units in Estonia among which there are 33 towns and 194 rural municipalities\*. All local authorities are a part of a county.

The area, population and number of municipalities by counties\*\*

County	Area (sq/km)	Population	Number of municipalities
Harju	4333	532 114	24
Hiiumaa	1023	10 759	5
Ida-Viru	3364	175 781	22
Jõgeva	2604	37 651	13
Järva	2461	38 734	12
Lääne	2383	28 809	12
Lääne-Viru	3627	67 901	15
Põlva	2165	32 601	14
Pärnu	4806	91 533	21
Rapla	2980	37 640	10
Saare	2922	37 049	16
Tartu	2993	148 205	22
Valga	2044	35 599	13
Viljandi	3422	57 042	15
Võru	2306	39 640	13

The size of local government units is very different. The biggest municipality is capital city Tallinn. Out of 227 local authorities, there are 32 with population under 1000 inhabitants and only 3 with population above 50 000. Half of the local authorities have less than 2000 inhabitants.

\* 227 local government units are a result of merger of 22 units (entered into force in Oct 2005)

\*\* 1 Dec 2005, Population Register



The smallest municipality is Ruhnu island with 101 inhabitants.

Biggest municipalities		Smallest municipalities	
Tallinn	398 928	Ruhnu	101
Tartu	99 853	Piirisaare	108
Narva	68 844	Vormsi	334
Kohtla-Järve	44 219	Torgu	406
Pärnu	43 534	Nõva	474
Viljandi	20 359	Alajõe	478
		Lavassaare	577

Towns and rural municipalities may be divided into municipal districts (*linnaosa, osavald*) with a limited right to self-governance. The competence of a municipal district is stated in the statute of the municipality.

According to the Territory of Estonia Administrative Division Act local councils or the Government of the Republic may initiate changes to the administrative division of the territory of Estonia. The Government of the Republic enacts the amendments.

#### Mergers since 1996

Year	Number of merging units	Number of new units	Total
1996	2	1	254
1998	2	1	253
1999	12	6	247
2002	11	5	241
2005	22	8	227

The division of municipalities by population after mergers in Oct 2005

Over 50 000	3
10 001–50 00	13
5 001–10 000	30
3 000–5 000	31
1 000–3 000	118
0–1 000	32

## Legal basis of the local government

Estonia was proclaimed a republic on February 24, 1918. Until that time Estonia had been a part of the Russian Tsarist Empire for over 200 years. Rural municipalities as institutions of local self-governance were formed in 1816 in the Estonian province (*kubermang*) and in 1819 in the Livonian Province. Several towns had a tradition of self-governance from the Middle Ages (Town Law of Lübeck). Substantial reforms and reorganisations were carried out after proclamation of independence and during the Soviet occupation (1940–1991).

In the end of 1980s conceptual work to form the basic principles of modern local government started. The Local Government Bases Act was enforced on January 1, 1990. In autumn 1989 first free elections to local authorities took place. At first, the Estonian local government consisted of two tiers. Counties were the units of second tier local government. Towns, rural municipalities and boroughs were units of first tier local government.

A new system of local government, which is existing nowadays, was introduced in 1994 after years of reforming and restructuring of legal and financial basis for local self-governments. A one-tier local government system was introduced. County administration became the part of central government and the county governor became the representative of the central government.

Basic provisions concerning local government are laid down by the Constitution of 1992\*. Major spheres of local government are regulated – within the limits of the Constitution – by laws.

Estonia ratified European Charter of Local Self-Government without reservations in 1994.

\* Estonian legal acts translated into English are available in Internet:  
<http://www.legaltext.ee/et/andmebaas/ava.asp?m=022>



#### Chapter XIV of the Constitution states the following

**Art.154** *All local issues shall be resolved and regulated by local governments, which shall operate independently in accordance with law.*

*Duties may be imposed on local governments only pursuant to law or by the agreement with the local government. Expenditure related to the duties of the state imposed by law on a local government shall be funded from the state budget.*

**Art.155** *The units of local government are rural municipalities and cities. Other units of local government may be formed on the bases of and pursuant to procedure provided by law.*

**Art. 156** *The representative body of a local government is the council which shall be elected in free elections for a term of four years. The period of authority of a council may be shortened by an Act due to a merger or division of local governments or the inability of the council to act. The elections shall be general, uniform and direct. Voting shall be secret.*

*In the elections to the local government council, persons who reside permanently in the territory of the local government and have attained eighteen years of age have the right to vote, under conditions prescribed by law.*

**Art. 157** *A local government shall have an independent budget, for which the bases and procedure for drafting shall be provided by law.*

*A local government has the right, on the basis of law, to levy and collect taxes, and to impose duties.*

**Art. 158** *The boundaries of local government units shall not be altered without considering the opinion of the local governments concerned.*

**Art. 159** *A Local government has the right to form associations and joint agencies with other local governments.*

**Art. 160** *The administration of local governments and the supervision of their activities shall be provided by law.*



## Main legislative acts governing structure of local government

**Local Government Organisation Act** (adopted June 2, 1993). The Act determines the functions, responsibilities and organisation of local authorities and the relations of local authorities with one another and with central governmental institutions. Besides, the Act provides the basis for the participation of local government in economic activities, the procedure of the formation of municipal districts, the general structure of the local council, etc.

**Territory of Estonia Administrative Division Act** (adopted February 22, 1995) provides the administrative division of the territory of Estonia, the alteration of administrative-territorial organisation, and the bases and procedure for the alteration of boundaries and changes to the names of administrative units.

**State Budget Act** (adopted June 9, 1999). This Act provides the procedure for the drafting, passage and implementation of the state budget, including the basis for the allocations and appropriations from the state budget to local governments.

**Rural Municipality and City Budgets Act** (adopted June 16, 1993) sets forth the procedure for the preparation, passage and implementation of rural municipality and city budgets.

**Local Taxes Act** (adopted Sept 21, 1994) provides for local taxes, the procedure for imposition of local taxes and the requirements for local taxes.

**Local Government Council Election Act** (adopted March 27, 2002). This Act regulates the formation of electoral districts and polling divisions, registration of voters, nomination and registration of candidates, etc. Pursuant to the law, local authorities receive funds from the state budget to carry out local elections.

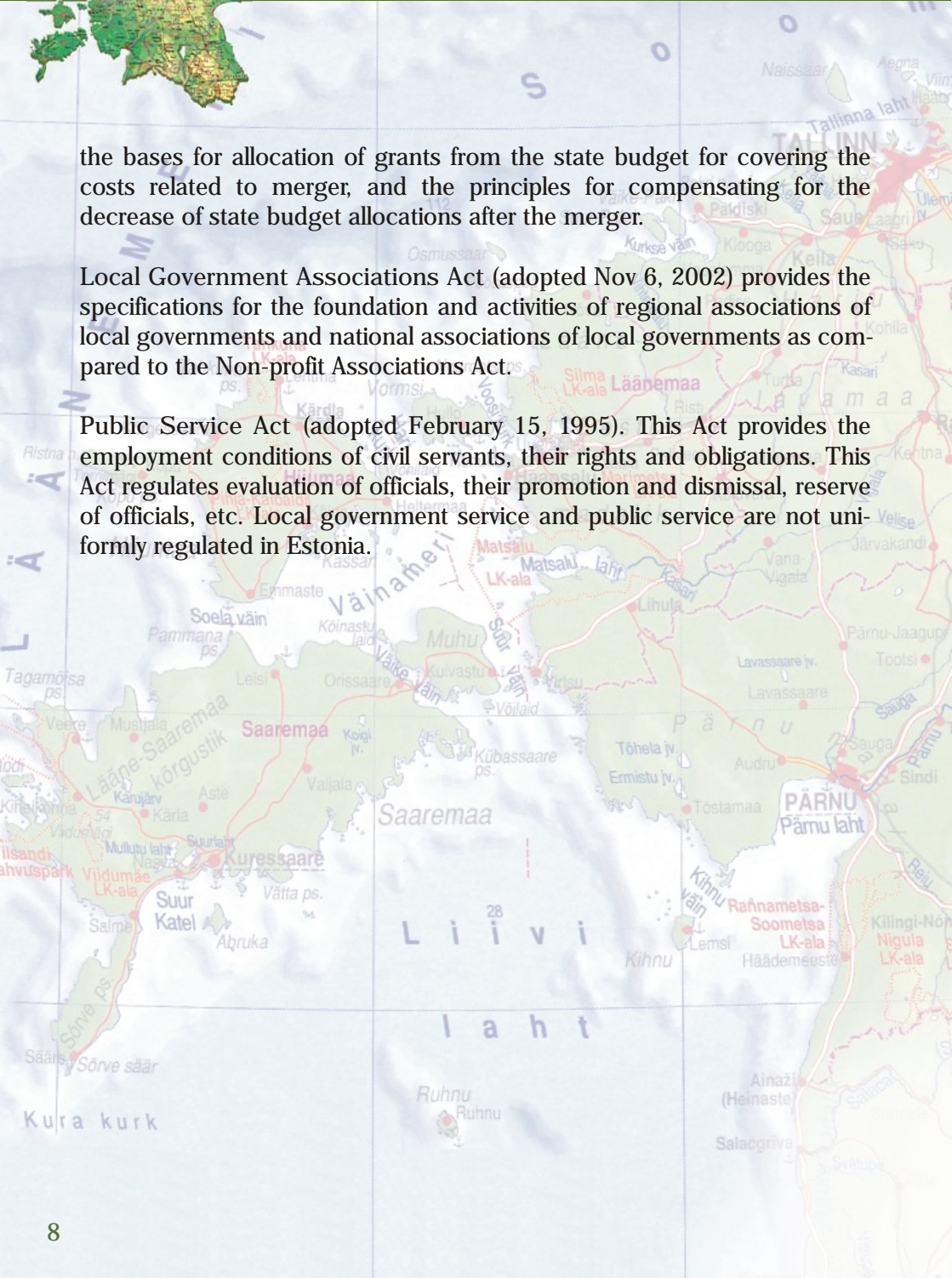
**Promotion of Local Government Merger Act** (adopted June 28, 2004). This Act establishes the principles for merger of local governments and the principles for promoting such merger, the requirements for the accessibility of public services offered by local governments after the merger,



the bases for allocation of grants from the state budget for covering the costs related to merger, and the principles for compensating for the decrease of state budget allocations after the merger.

Local Government Associations Act (adopted Nov 6, 2002) provides the specifications for the foundation and activities of regional associations of local governments and national associations of local governments as compared to the Non-profit Associations Act.

Public Service Act (adopted February 15, 1995). This Act provides the employment conditions of civil servants, their rights and obligations. This Act regulates evaluation of officials, their promotion and dismissal, reserve of officials, etc. Local government service and public service are not uniformly regulated in Estonia.



## *Democracy and participation at local level*

One of the most important principles of the local self-government is the right of the residents to participate in the exercise of local government.

Residents of a municipality can participate in the exercise of local government on three different levels:

- 1) using the right to vote or participating at the elections according to the principles of representative democracy;
- 2) directly participating in the decision making process according to the principles of participation democracy, which may include different types of participation: information exchange and consultations, participation at the decision-making process or in decisions implementing phase;
- 3) participating in the activities of a political party. This type of participation works as a bridge between two above-mentioned forms and is practically a condition for involvement in both before mentioned types.

### Participation in local elections

Every Estonian citizen and citizen of European Union who is 18 years old by the day of elections and whose permanent residency is located in the corresponding municipality, has the right to vote and to be elected to national and local authorities. Unlike at parliamentary elections, foreigners legally and permanently residing in Estonia are entitled to vote at local elections. A foreigner has the right to vote if he or she meets the above-mentioned conditions, resides in Estonia on the basis of a permanent residence permit and has, by election day, legally resided in the corresponding rural municipality or city for at least the last five years. Foreigners may not, however, stand as a candidate to the local council.



Local elections are held every fourth year on the third Sunday in October.\*

Elections years	1996	1999	2002	16 Oct 2005
Voter turnout	52,5 %	49,8 %	53, 5%	47%

During last local government council elections general e-voting as an alternative method to vote was implemented for the first time. About 1% of all votes were given via internet.

### Citizen participation at local level decision making

*Local Government Organisation Act* settles that besides being based on the division of the territory of the state into administrative units, local self-government is exercised by democratically formed legislative and executive bodies and, with regard to local issues, by means of opinion polls or public initiative.

Local Government Organisation Act also brings out the rights for citizens:

- 1) to initiate legislation (not less than one per cent of the residents of a rural municipality or city with the right to vote);
- 2) to initiate the passage, amendment or review of legislation of the rural municipality or city council or government concerning local issues (not less than five residents with the right to vote).

Such initiatives shall be debated not later than within three months. Everyone has also the right to apply to a local government for the amendment or repeal of legislation passed by the rural municipality or city government if such legislation unlawfully restricts the rights of the applicant. If a rural municipality or city government refuses to amend or review such legislation, the applicant has the right of recourse to the courts for resolution of the issue.

\* Every third year until 2005

Local government councils, composed by elected representatives have the right to form council committees where other local residents may be involved. Further, there are regulations for involving local people in the process of working out a development plan and a general plan of a rural municipality or city. Latter are mandatory strategic documents that provide an analysis concerning the economic and social situation, environmental condition, and trends and preferences for planning the long-term activities and further development of the local government.

*Public Information Act* ensures that the general public and every person has the opportunity to access information intended for public use, based on the principles of a democratic and social rule of law and an open society, and to create opportunities for the public to monitor the performance of public duties. Local authorities use different methods for providing residents with information concerning organisation of local life. Most typical are local, usually free of charge newspapers, public information stands, webpages and internet forums, also meetings and roundtables for addressing special issues or finding solutions are organized more and more.

In recent years several regional or over state networks have been established on the bases of local initiative. One of the largest is the Movement of Estonian Villages Kodukant (*Eesti Külaliikumine Kodukant*) which unites volunteers and community-based organizations interested in the development of rural life in Estonia. Partnerships between local governments, local non-governmental and business sector organisations are becoming more popular with the common aim of finding solutions to local problems in fields like economic development, employment, social involvement, development planning etc.

All the normative acts passed by the local council and the local government must be available for every citizen. At least one per cent of the people of a municipality who have the right to vote may initiate a proceeding about a certain issue in the local council.

Local councils may carry out public hearings in important matters among the people residing in a municipality. Such hearings are of recommendable nature to the council. Until now public hearings have been held mostly regarding the amalgamation of local authorities.



## The internal organisation of local government

Local Government Organisation Act determines the general principles of the institutional structure and administration of local authorities. The statute (*põhimäärus*) of each local authority prescribes the institutional structure and rules of procedure of the specific local authority. As the acts define the area quite broadly local authorities are practising different rules of procedure.

The council (*volikogu*) and the government (*valitsus*) are the bodies of local government in each municipality.

### Municipal council

The municipal council (*volikogu*) is the legislative body of a local authority. The council is elected at general, uniform and direct elections by secret ballot for a term of four years.

The current council determines the number of members in the following council. The number depends on the population of a local authority (min 7 members).

The council may form both standing and *ad hoc* committees (*alaline/ajutine komisjon*) as determined in the statute of a local authority. Law prescribes only the formation of an audit committee (*revisjonikomisjon*). The chairmen of all committees and all members of the audit committee must be elected from among the council members.

Chairman (*volikogu esimees*) is the head of the council. The majority of the council elects the chairman of the council by secret ballot. The chairman organises the work of the council, represents the council and fulfils other duties imposed by law or municipal statute.

There are political fractions within many municipal councils.

The management of the following issues is within the exclusive competence of the municipal council:

- decisions related to the budget, taxes, fees and duties, loans, tax incentives, foundations of the local government;
- decisions related to municipal property;
- approval of the development plan and the statute of the local government;
- alteration of the boundaries of a local government, formation of municipal districts;
- decisions on general issues concerning municipal council and government (election of the chairman of the council and the mayor, confirmation of a new municipality, determination of the wage conditions for the council and government etc);
- approval of building regulations, drafting comprehensive plans and detailed plans.

### Municipal government

The government is the collegial executive body of the local authority. The government is appointed to office for the period of the authorities of the municipal council. The head of a government is the Mayor (*linnaepea, vallavanem*), who is elected and released by council.

The members of the government are confirmed to office on the proposal of the municipal mayor. The mayor is leading the government according to law. The government may include municipal employees or political appointees. Members of the council cannot be members of the government. The council has the right not to confirm the members of the government but it may not, however, make alterations to the membership of the government at its own initiative.



While council sessions are generally open, government sessions are closed. Working procedures are determined by municipal statute.

### Municipal administration

The mayor is the head of the municipal administration. Usually the administration consists of departments and the office (*kantselei*). Organisational structure of municipal administration is determined by municipal council. Municipal staff is employed by the mayor.

The town or rural municipality secretary (*linnasekretär; vallasekretär*) is the head of the office. The main tasks of the secretary are to prepare the materials for the sessions of the government and the council. The secretary is also responsible for the regulations that are being passed to be legally correct. In Tallinn and in other larger local authorities council office is separated from government office.



## *Powers and responsibilities*

According to the constitution functions may be placed to local authorities only by law or mutual agreement. All local issues are dealt with and resolved by self-governing local authorities unless assigned to other persons according to law. The main tasks of local authorities are stated in the Local Government Organisation Act.

The following is an outline indicating which responsibilities lie with the state, the counties and the local authorities.

### LOCAL AUTHORITY

- Provision of public services and amenities, construction and maintenance of infrastructure necessary to provide public services
- Primary and secondary education
  - Social care, welfare services
  - Housing and utilities
  - Water supply, sewage
  - Spatial planning
- Municipal public transport and maintenance of municipal roads
  - Youth work
  - Leisure activities

### STATE

- Legislative power
  - Justice
- Foreign affairs
- National defence
  - Finances
- Supervisory powers

### COUNTY

- Economic and spatial development of a region, incl county spatial planning
  - Supervision over single acts of local authorities
- Co-ordination of emergency situations
  - Co-ordination of tourism, leisure activities etc

- Maintenance of public order, rescue services
- Infrastructure development and maintenance
- Industry and commerce
  - Education
  - Labour policy
- Health management
  - Motorways

Local authorities may arrange the provision of certain public services through the private sector. Contracting out to the lowest bidder from the private sector is widely practised, especially in case of technical tasks.



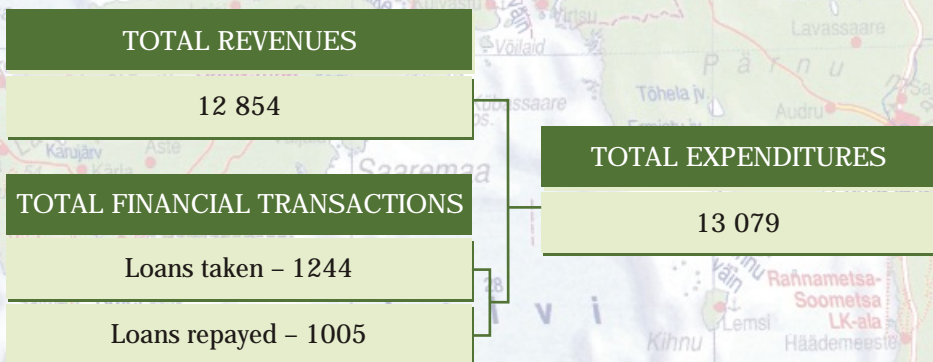
## Local Government finances

### General Principles

According to Estonian legislation the state budget and local governments budgets are separated and local authorities have their own independent budget.

Local government budget consists of revenues, expenditures and financial transactions. The aim of financial transactions is to cover the differences between revenue and expenditure. Financing transactions bring about changes in financial assets and liabilities. Financial assets include deposits and other similar assets. Liabilities include loans taken, securities issued and other similar liabilities. The revenues and the expenditures should be balanced through financial transactions.

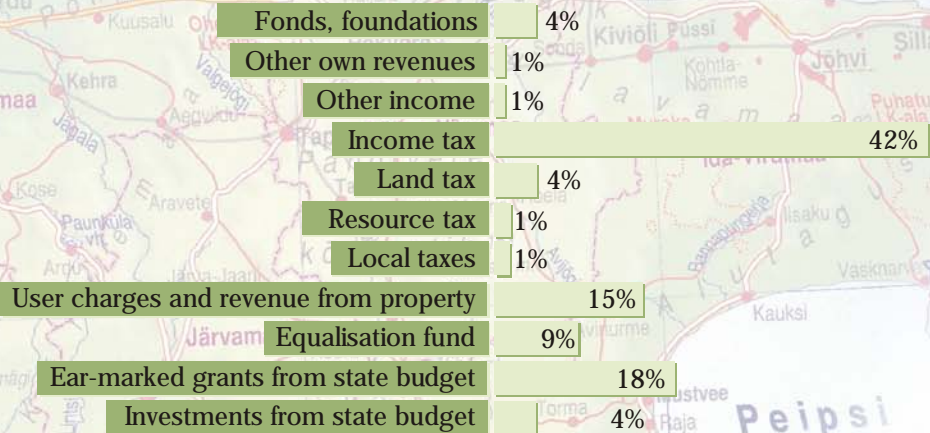
Structure of local government budget in 2004 (millions EEK)\*



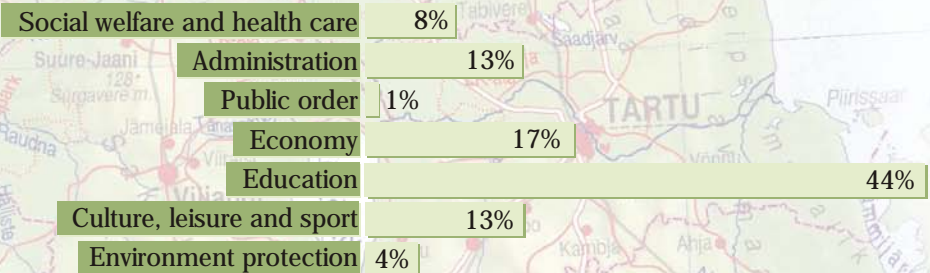
Local governments may use following means to finance their expenditures:

- taxes (income tax, land tax, local taxes)
- locally generated income fees and proceeds from municipal property, economic activity
- allocations and appropriations from the state budget
- loans

Revenues 2004



Expenditures 2004



The biggest portion of income for local budgets comes from the state personal income tax. The local authorities receive 11, 8%\*\* of resident's total revenue. The tax threshold and tax exemptions are not applied. The tax is collected by State Tax Board through its regional offices. Local authority receives a fixed share, the rest goes to state budget. \*\*\*

\* Ministry of Finance 2005

\*\* 11, 6% until 31 December 2005

\*\*\* The income tax rate will be reduced to 20% by 2009



Land tax, which is considered a state tax in its nature, is fully paid into local budgets. Land tax is 0.1–2.5 % of the estimated value of land. In case of agricultural land the rate is 0.1–2.0 %. The local council determines the tax rate within limits given by law.

The fee of natural resources and special use of water together with the extent to which they are paid into local budget is determined by the decree of the Government of the Republic.

The local government has the power to impose and levy taxes and charges in accordance with law. Local government has quite comprehensive autonomy to manage its property and earn revenues.

#### Local taxes:

- sales tax
- boat tax
- advertisement tax
- road and street closure tax
- motor vehicle tax
- animal tax
- entertainment tax
- parking charge

The budgetary year of local authorities begins on January 1 and ends on December 31. The local council must pass the budget within three months after the beginning of the budgetary year.

#### Equalisation mechanism and grants to municipal budget

Subsidies from the state budget are the second largest source of income for the local government.

Pursuant to the State Budget Act the financial resources allocated from the state budget for supporting the local budgets is the equalisation fund of local governments. Equalisation formula consists of the calculated expenditure need and accounting revenues. The deficit of the revenues to cover the expenditure need is compensated by the equalisation grant.

The purpose of the equalisation fund is to balance excessive differences among the income bases of different local authorities and to provide also the weakest municipalities with a possibility to render adequate public services to its inhabitants. The amount of the equalisation fund in a draft state budget and its distribution is determined by the negotiations between the representatives of the associations of local authorities and the Government of the Republic. Local governments provide large scale of functions and remarkable share of public infrastructure has given to the maintenance by local authorities. The most important area is education, as local authorities are obliged to maintain school houses and pay salary to teachers. General purpose block grants are allocated to local governments to enable them funds to cover expenses like salaries of teachers, subsistence benefit etc. Most public utilities are under responsibility of local government.

Several ministries allocate earmarked grants to local authorities for special purpose or to support municipal investments.

### Local government on the credit market

Local governments are allowed to take loans and use other debt instruments to finance investments set by development plan. Loans are not considered as revenue for local government. The following state restrictions apply to local authorities:

- The total amount of repayable loans, loan interests and expenditure for redemption of debt instruments shall not exceed, in any coming budgetary year, 20 % of estimated budget revenue for the budgetary year.
- The total amount of debt shall not exceed 60 % of estimated budget net revenue for that budgetary year.
- Local authorities have the right to independently enter into international credit market and take loans from any creditor.
- Local governments cannot give or guarantee loans and set real estate as mortgage.
- State does not guarantee loans taken by local government.
- Loans are taken or debt instruments are issued to carry out investments prescribed in the municipal development plan.
- Copies of the loan agreements must be submitted to the County Governor and the Ministry of Finance.



## *Co-operation between local authorities*

According to the Local Government Organisation Act local government units have the right to form associations and joint institutions to express, represent and protect common interests and to exercise joint tasks of municipalities. Co-operation is mainly carried out by joint provision of public services especially in areas such as waste management, education, transport, social care and health care. Local authorities co-operate also in elaborating development plans and organizing cultural events. Joint foundations, non-profit organisations and enterprises can be established or specialists hired to work for a group of local authorities. Many small local government units buy public services from neighbouring municipalities. This type of co-operation is usually carried out on a contractual basis.

### Regional associations of local authorities

As there is no regional level local government in Estonia, the co-operation of local authorities within a county is of great importance for local authorities in terms of their relations with central authorities and co-ordination of their own activities. There are 15 counties in Estonia. In every county there is a regional association uniting all or most of the local authorities of the county. Regional as well as national associations operate according to the Local Government Associations Act, the Non-profit Organisations Act and other relevant laws. There is no directly elected body on regional level. Members appoint their representatives to the general meeting of the association for the term of the authority of the local government council from among the council or government. Membership of an association is voluntary.

The scope of activities of the associations depends on the needs of the local authorities involved. Regional associations of local authorities are mainly financed from budgets of member local authorities.

Regional as well as national associations may perform local government or state functions within the limits set up by law. The functions which require the exercise of powers of public authority may be transferred to an association for performance only if corresponding authorisation provided by law has been granted.

Regional association is consulted on the appointment of a County Governor.

National associations of local authorities

A national association may be founded jointly by more than one half of the local governments in Estonia or by local governments whose combined population, according to the data in the population register, constitutes more than one half of the population of Estonia.

The objectives of a national association are, through the joint activity of the local governments, to foster the development of local government in general, to represent its members on both national and international levels, to protect the common interests of its members, to promote co-operation between its members and to create possibilities for improved performance of the functions prescribed by law for its members by law.

There are two national associations of local authorities in Estonia: the Association of Estonian Cities (*Eesti Linnade Liit*, AEC) and the Association of Municipalities of Estonia (*Eesti Maaomavalitsuste Liit*, AME). The Association of Estonian Cities was founded in 1920 and the Association of Municipalities of Estonia was founded in 1921. Both associations were re-established in 1990.

A joint organ, the Co-operation Assembly of Associations of Local Authorities (*Omavalitsusliitude Koostöökogu*) was established in 1994 with the main task to conduct negotiations with the Government of the Republic.



## *Relations between local authorities and central government*

Relations between municipal authorities and central government authorities are based on law and contracts. A municipality has the right to apply to the court to defend its legal rights or for resolving arguments. In order to protect the common interests of its members, an association has the right to file an action with an administrative court. Municipal authorities cannot delegate their rights and tasks to central government institutions.

General policy planning in area of local government legal basis – structures and functions as well as the development of the local government system in Estonia – responsibilities of the Ministry of the Interior. Ministry of Finance is responsible for local government finance and budget issues.

### State supervision

In addition to internal control by council audit committee, many bigger local authorities hire professional internal auditors. The yearly budget of a municipality has to be approved by an independent auditor.

External control is effected by County Governor, Legal Chancellor (Ombudsman) and the State Audit Office. The purpose of supervision is to ensure the lawfulness and feasibility of municipal activities.

The Legal Chancellor carries out supervision over the legislation of local authorities for conformity with the Constitution and laws.

The State Audit Office exercises control over the municipal use of state and municipal assets, allocations for specific purposes and subsidies granted from the state budget, funds allocated for the performance of state functions and funds of the European Union and performance of obligations to the EU thereof.



A county governor has the right to exercise supervision over the legality of legislation of specific application of local governments and local government councils of the given county and, in the cases and to the extent provided by law, also over the legality and purposefulness of the use of state assets in the use or control of local governments. A county governor or an official authorised by the county governor's order has the right to control the performance of state functions assigned to local governments by law or assumed by local governments by an administration contract. A county governor has no authority to stop or declare void any measures taken by local authorities; he can only suggest that the local authority take the necessary measures to comply with the law. If the municipality does not change the act in order to comply with the law, the county governor has to appeal to court. In cases set by law, county governor also has the right to file a petition with the Legal Chancellor or make a report to the State Audit Office.

### Co-operation between local authorities and state

Co-operation between state and local governments is increasing, also in scope. This co-operation often occurs in an informal manner, such as networking or partnerships. The main forms of co-operation, both mandatory and informal are:

- Consultations with local governments, impact assessment of legislative measures, expertise
- Representatives in government working groups
- Local government associations have direct access with active user rights to the official electronic law drafting system (e-Law (*e-Õigus*))
- Members of the Committee of the Regions (EU) have active user rights in the electronic system of EU documents (ELIS)
- Annual budget negotiations between the government of the republic and local government associations are being held since 1994 to reach an agreement over state budget allocations to local governments
- Ear-marked grants and implementation of programs to improve the administrative capacity of local governments and their associations



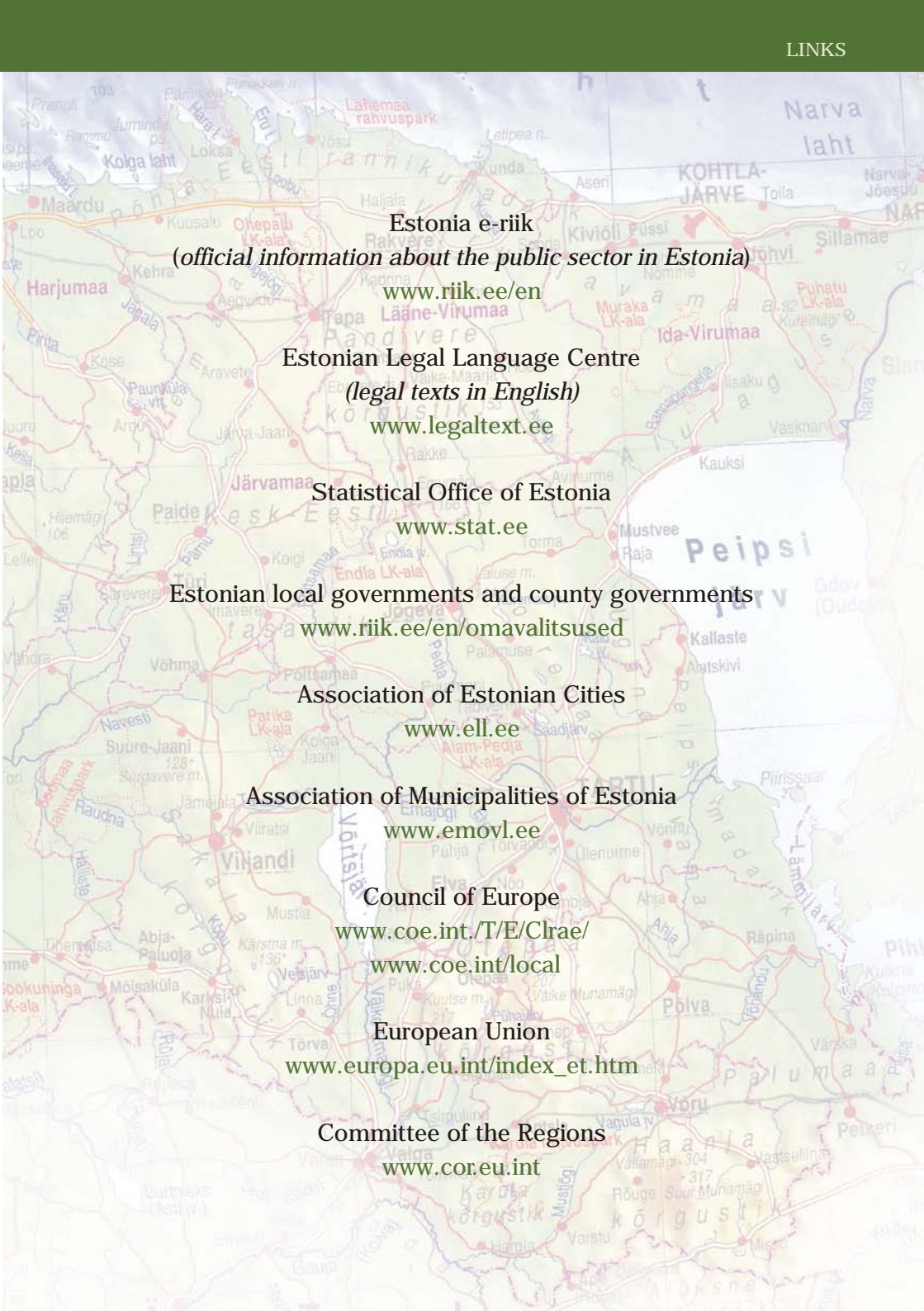
## *International relations in local government area*

Local governments have the right to co-operate with local governments in other countries and to conclude agreements within their competence. Most of the municipalities in Estonia have relations and friendship agreements with local authorities abroad, the majority of them in the Baltic and Nordic countries. In recent years, EU Interreg III programmes have given a new impetus to different forms of cross-border co-operation.

Local governments have the right to become members of corresponding international organisations and to co-operate with such organisations.

Estonian local authorities are represented, via national associations, in the Committee of the Regions of the European Union (full membership since accession in 2004). Estonia has 7 seats in the committee. The Congress of Local and Regional Authorities of Europe (CLRAE) is another important international forum for Estonian local self-governments.

The Association of Estonian Cities is a member of the Council of European Local authorities and Regions (CEMR) and United Cities and Local Governments (UCLG). AEC is also actively involved in the Local Governments Network of Central and Eastern European Countries for EU Enlargement (LOGON) and in the Baltic Sea States Sub-Regional Co-operation (BSSSC).

A map of Estonia showing its administrative regions and major cities. The map is overlaid with several text boxes providing links to various Estonian government and international organization websites. The text is centered over the map, with some boxes overlapping each other. The map shows the Baltic Sea to the north, the Gulf of Riga to the east, and the Baltic Sea to the south. Major cities like Tallinn, Tartu, and Pärnu are visible. The text boxes are arranged vertically from top to bottom, providing a list of links.

**Estonia e-riik**  
*(official information about the public sector in Estonia)*

[www.riik.ee/en](http://www.riik.ee/en)

**Estonian Legal Language Centre**  
*(legal texts in English)*

[www.legaltext.ee](http://www.legaltext.ee)

**Statistical Office of Estonia**

[www.stat.ee](http://www.stat.ee)

**Estonian local governments and county governments**

[www.riik.ee/en/omavalitsused](http://www.riik.ee/en/omavalitsused)

**Association of Estonian Cities**

[www.ell.ee](http://www.ell.ee)

**Association of Municipalities of Estonia**

[www.emovl.ee](http://www.emovl.ee)

**Council of Europe**

[www.coe.int/T/E/Clrae/](http://www.coe.int/T/E/Clrae/)

[www.coe.int/local](http://www.coe.int/local)

**European Union**

[www.europa.eu.int/index\\_et.htm](http://www.europa.eu.int/index_et.htm)

**Committee of the Regions**

[www.cor.eu.int](http://www.cor.eu.int)



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