

EUROPEAN UNION

Committee of the Regions

RELEX-020

Brussels, 7 December 2004

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OPINION

of the Committee of the Regions

of 17 November 2004

on

**Local and regional government in Russia and the development of
cooperation between the EU and Russia**

THE COMMITTEE OF THE REGIONS

Having regard to its Bureau's decision of 19 March 2004, under the fifth paragraph of Article 265 of the Treaty establishing the European Community, to instruct the Commission for External Relations to draw up an own-initiative opinion on local and regional government in Russia and the development of cooperation between the EU and Russia;

Having regard to the statement by the President of the Russian Federation, Mr V. V. Putin, to the annual meeting of Russian federal officials with high-ranking representatives of the business community and local government on 1 July 2004, establishing a basis for the development of permanent dialogue between Russian local and regional authorities and local and regional authorities in the European Union;

Having regard to the EU-Russia summit on 21 May 2004;

Having regard to the protocol to the Partnership and Cooperation Agreement (PCA), which was signed by the EU and Russia on 27 April 2004 to extend the agreement to the ten new Member States as of 1 May 2004;

Having regard to the Communication COM(2004) 106 final of 10 February 2004 in which the Commission proposes measures to improve the effectiveness of EU-Russia relations;

Having regard to the European Parliament's report A5-0053/2004 final of 2 February 2004 with a proposal for a European Parliament recommendation to the Council on EU-Russia relations;

Having regard to the Rome summit in November 2003;

Having regard to its opinion on the *Northern Dimension – Second Action Plan 2004-2006* (COM(2003) 343 final), adopted on 9 October 2003 (CdR 102/2003 fin)¹;

Having regard to Federal Law No. 131-FZ of 6 October 2003 on the general organisational principles of local self-government in the Russian Federation, and the current implementation thereof;

Having regard to the establishment of the four EU-Russia "common spaces", as agreed at the St. Petersburg summit in June 2003;

Having regard to the opinion of the European Economic and Social Committee on the *EU-Russia strategic partnership: What are the next steps?* of 20 March 2002 (CES 354/2002);

Having regard to the letter of intent on cooperation between the Council of the Federation of the Federal Assembly of the Russian Federation and the Committee of the Regions of the European Union of 30 March 2001;

Having regard to the 1999 EU-Russia "Common Strategy", which laid down the EU's basic approach to its relations with Russia;

Having regard to the European Charter of Local Self-Government ratified by the Russian Federation in 1998;

Having regard to the 1997 Partnership and Cooperation Agreement (PCA) between the EU and Russia;

Having regard to the constructive presentation by Mr Alexander Songal, Head of the International Relations Department of the Kaliningrad "oblast" (regional) Duma, and the subsequent debate at the CoR RELEX Commission meeting on 5 September 2003;

Having regard to the constructive presentation by Mr Alexander Viktorovich USS, President of the Parliament of Krasnoyarsk Territory, Member of the Governing Council of the Interregional "Siberian Accord" Association, and the subsequent debate at the CoR RELEX Commission meeting on 17 September 2004;

Having regard to its draft opinion (CdR 105/2004 rev. 1) adopted by its Commission for External Relations on 17 September 2004 (rapporteur: Mr Lars Abel, member of Copenhagen County Council [DK/EPP]);

Whereas:

1) The COR believes that strong regional and local authorities rely on the principle of democratic legitimacy and accountability of their bodies.

The COR therefore urges the authorities in all European countries to develop and expand the principle of local self-government in accordance with the European Charter of Local Self-Government of 15 October 1985, and to avoid any limitation of direct citizen participation at

local and regional level.

2) EU enlargement has considerably extended the Union's common border with Russia. The EU should secure good relations with Russia, its largest neighbour. For that reason, it should back the development of good governance in Russia, not only at national level, but at regional and local level as well. It is in the EU's own interest to work for an open, stable and democratic Russia that can act as a strategic partner, defend common values, press ahead with reforms, meet its commitments and, together with the EU, play a constructive role vis-à-vis the NIS countries.

3) A genuine partnership should be underpinned by a practical strategy and agenda designed to give form and substance to political statements. Practical and concrete steps are needed to address the changes and fresh challenges of the new, enlarged European Union and its relationship with Russia.

At local and regional level, it is vital to secure growth as the mainstay of future welfare and to adapt developments to devolved authorities' differing circumstances. Education, the environment, transport, enterprise promotion through private-public partnerships, social security and health: these are key elements of regional development that must facilitate growth in Russia and the EU and strengthen cooperation among local and regional authorities.

4) The EU should also devote special attention to those areas of the Northern Dimension region which have particular development and growth needs, such as northwest Russia, including the Kaliningrad region, and the Russian Arctic areas. It is important to focus on the difficult climate conditions that impact on business development, education, health and the environment.

5) The Committee of the Regions intends to focus on those areas of action that fall under regional and local authorities' remit. National authorities handle overarching issues affecting society as a whole, while regional and local authorities focus on those areas that are important for sections of society close to people's everyday concerns.

6) The Committee of the Regions must focus its active involvement on practical issues that can be resolved through concrete cooperation between local and regional partners in the EU and Russia. By developing cooperation at local and regional level, the EU can help foster the diversification of the Russian economy that is needed to be able to attract more foreign investment with a view to generating new real capital and revamping infrastructure. The Committee of the Regions notes that the Commission, in its analysis of this question (COM(2004) 106 final of 10 February 2004) points out that much remains to be done to reform bureaucracy and the financial, housing, communal services, healthcare and education sectors. To speed up the structural, social and institutional reforms that are needed in Russia, improvements could be made to the investment and business climate and productivity could be increased in the production sector.

7) Through close cooperation on specific projects, the EU can have an input into the balanced implementation of reforms of the public service administration at both federal and regional level. By working together on such projects, the EU can also help strengthen human capital through improvements in specific sectors. The EU must continue to foster international contacts at grassroots level, including education partnerships.

Adopted the following opinion at its 57th plenary session on 17 and 18 November 2004 (meeting of 17 November):

1. The Committee of the Regions' views

The Committee of the Regions

1. **notes**, in the light of the findings of the April 2004 Permanent Partnership Council meeting, that the Partnership and Cooperation Agreement (PCA) remains a key and stable basis for developing cooperation between the EU and Russia. The agreement lays down the framework for bilateral cooperation and provides for the establishment of the bodies that are most needed to discuss and decide on issues of common interest at all levels, to exchange information and to resolve conflicts;
2. **is keen** to play a constructive role in helping establish and develop the four "common spaces" agreed at the St Petersburg summit in May 2003, namely a common economic space, a common space of freedom, security and justice, a common space of cooperation in the field of external security, and a common space of research, education and culture;
3. **considers** that many aspects of these four common spaces naturally involve local and regional authorities, and asks that the Committee of the Regions be directly involved in helping develop the common spaces in areas that fall within the Committee's remit and for issues handled under the open method of coordination;
4. **welcomes** the fact that the letter of intent between the Committee of the Regions and Russia has laid down specific sectors for local and regional-level cooperation;
5. **looks forward to** the entry into force in 2006 of federal legislation on the remit of Russian local and regional authorities, and expects it to be a step forward for potential cooperation between devolved authorities in the EU and Russia, notably by clarifying competences with regard to cross-border cooperation; on the basis of the on-going communication between the Council of Europe and Russia, the COR has every confidence that the principles of the Charter of Local Self-Government will be respected also in connection with the recent legislative proposals in Russia;
6. **recognises** the importance of cooperation between local and regional authorities in Russia and the EU that focuses on possible ways of resolving issues of common concern at a devolved, grassroots level;
7. **considers** that local and regional-level exchanges of information and best practice foster democracy and social and economic development;
8. **is pleased to note** that the positive outcome of projects between local and regional authorities in the EU and Russia is fuelling the desire for effective cooperation;
9. **would stress** that, within the projects, the concept of common ownership is a key pre-condition for sustainable cooperation among devolved authorities.

2. The Committee of the Regions' recommendations

The Committee of the Regions

1. *Key local and regional priorities and decision-making processes*

1. **calls on** the EU and Russia to work together at a devolved level on issues of common interest. Taking the letter of intent between the Committee of the Regions and Russia as a starting point, cooperation is possible on many fronts. Specific initiatives could be proposed in the fields of culture, social affairs, the regional economy, the environment, transport, agriculture, research and enterprise promotion. Broadly speaking, these cover a substantial part of devolved authorities' remit for local and regional development;
2. **considers** that health – and public health in particular – are key factors in strengthening society's growth potential and are thus an important part of local and regional authorities' sectoral responsibilities. Health is not specifically mentioned in the letter of intent but it does have a bearing on social policy and an impact – direct or indirect – on other sectors. As such, it is a significant element of those other sectors and helps secure and maintain stability within society;
3. **would like to see** the Committee of the Regions, with the practical support of the European Commission, in compliance with the Partnership and Cooperation Agreement (PCA) between the EU and Russia, and in cooperation with Russian local and regional authority representatives, work out a new instrument – a standard agreement in the form of a Memorandum of Understanding (MoU), complete with appropriate guidelines – which could be used to underpin specific cooperation agreements between local and regional authorities in the EU Member States and similar authorities across Russia. This offers local and regional authorities in the EU and Russia worthwhile and encouraging prospects for consolidating the key "bottom-up" process and removing bureaucratic constraints;
4. **urges** devolved authorities in the EU and Russia to join forces in practical cooperative ventures, projects and partnerships in fields that build on the areas of cooperation set out in the letter of intent between the Committee of the Regions and Russia. The list of areas of cooperation is not exhaustive but can be expanded to reflect the circumstances of the relevant individual Russian or EU local authorities and regions;
5. **proposes** that all agreements should contain clear objectives, and guidelines for drawing up action plans and timetables. Funding principles should also be included as well as rules and deadlines for assessing the agreement;

6. **backs** moves to promote the exchange of information and best practice in areas of action that benefit society as a whole. The Committee of the Regions' Commission for External Relations would welcome regular consultations about Russia in order to review progress in cooperation and in relations between the EU and that country, focusing particularly on responsibilities that fall within local and regional authorities' remit;
7. **would welcome** the establishment of a permanent forum for regional and local politicians from the EU and Russia aimed at discussing issues of common interest, such as the prospects for the new EU neighbourhood policy at local and regional level, and at specific initiatives for devolved tiers of government, with a view to submitting proposals to the Commission and to the Russian government for enhanced future cooperation between the two sides. It points to the constructive experience gained with the EU-Russia industry round table set up in 1997;
8. **considers** that exchanges of experience and information between the Committee of the Regions and the European Economic and Social Committee can help engender better understanding between the EU and Russia on issues of common interest and broaden the scope for practical initiatives concerning Russia, possibly including workshops, seminars, meetings and conferences, since both parties are keen to help boost cooperation between the two sides;

2. *Interregional cooperation – now and in the future*

1. **calls attention** to the importance of the first phase of the new neighbourhood programme which is scheduled to run from 2004 to 2006 and which it is hoped will prove to be the way forward for more effective and more streamlined cross-border cooperation for the EU and Russia – and produce practical results. It therefore endorses the new TACIS Regional Cooperation Indicative Programme and the National Indicative Programme for Russia, which sets out the EU's response in more detail and highlights the objectives and priorities for the period 2004 to 2006;
2. **would welcome** a new, common neighbourhood and partnership instrument for 2007-2013 in order to promote ongoing interregional cooperation between the EU and neighbouring partners outside the Union, including common application deadlines and procedural and reporting arrangements;
3. **calls** for Russia to contribute to and take part in a common financing instrument based on joint initiatives and ownership so that both the EU and Russia recognise the advantage to be gained from enhanced cooperation;
4. **underscores** the importance of the local and regional-level twinning scheme for exchanging experience in specific fields;

5. **notes** the particular advantage to be gained by launching and developing cooperation in the fields of culture and education, which are largely predicated on the activities, traditions and cultural identity of people at local and regional level;
3. ***The Northern Dimension in the EU and Russia – Kaliningrad, the northwest Russian regions and the Arctic Circle***
 1. **stresses** that international relations between the EU and Russia impact first and foremost on the Russian regions directly bordering the EU. Northwest Russia and Kaliningrad are thus an integral part of the EU's Northern Dimension;
 2. **notes** the importance of the Northern Dimension's Second Action Plan, under which any Northern Dimension stakeholder has the opportunity to join in practical projects, cooperative ventures and exchanges of best practice in specific areas outlined in the action plan. It is also important to provide easy access to funding to implement the substantive elements of the action plan if, as a geographical region, the Northern Dimension is to develop both socially and economically for the benefit of the EU as a whole;
 3. **would draw attention** to the status of the Kaliningrad region as a special economic zone and at the same time point out the scope for cross-border cooperation with the countries directly bordering Kaliningrad and which therefore share the challenges and opportunities of the region;
 4. **would also like to see** due account taken of projects between Kaliningrad and the EU in the funding arrangements for the Northern Dimension Action Plan so that a basis can be created for cross-border technical cooperation at local and regional level;
 5. **proposes** that the EU and Russia focus on geographical areas within the Northern Dimension that are not readily accessible, that have a harsh climate and that are thus sometimes poorly served in terms of development, a sustainable environment, enterprise promotion, social services, healthcare and education as a result of severe weather conditions, vast distances with little infrastructure and small population groups. The Committee would draw attention to the Arctic Window plan and relations among the sixteen countries and regions in the northwest Arctic and semi-Arctic areas around the Arctic Circle;
 6. **would reiterate** that the Committee of the Regions naturally considers itself in a position to play a key role in setting up a unifying, coordinating, consultative body that brings together local and regional representatives from across the Northern Dimension region.

The President
of the Committee of the Regions

The Secretary-General
of the Committee of the Regions

Peter Straub

Gerhard Stahl

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N.B.: Appendix overleaf.

Appendix 1 Letter of intent of 30 March 2001 on Cooperation between the Council of the Federation of the Federal Assembly of the Russian Federation and the Committee of the Regions of the European Union

Letter of intent

On cooperation between the Federation Council of the Federal Assembly of the Federation of Russia and the Committee of the Regions of the EU

In the interests of strengthening relations between the Federation Council of the Federal Assembly of the Federation of Russia and the Committee of the Regions of the EU, we welcome the commitment of their presidents to developing dialogue in order to encourage an exchange of information on regional and local issues.

On behalf of the Federation Council of Russia and the Committee of the Regions of the EU, we recognise that the process of globalisation is creating a world which is increasingly open and accessible for all.

We are aware of the importance of a thorough knowledge of the characteristics and specific features of each party, and so recognise that good relations are important and necessary between the Council of the Federation of Russia and the Committee of the Regions of the EU.

In this spirit, we welcome a broad exchange of information to ensure that our citizens are more involved in decision-making at regional and local level. It is important to have a better knowledge of our partners.

We express our common determination to encourage the development of relations in the following key areas:

- culture;
- social life;
- regional economy;
- environment;
- rural and urban development;
- local and regional transport;
- agriculture;
- research;
- training of managers.

We undertake to strengthen ties between the Committee of the Regions of the EU and the Council of the Federation of Russia with a view to bringing the citizens of EU and the Federation of Russia closer together.

Moscow, 30 March 2001.

Committee of the Regions
of the European Union

Jos Chabert
President

Council of the Federation of Russia

Yegor Stroev
President

¹ OJ C 23, 27.1.2004, p. 27

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CdR 105/2004 fin EN/o

CdR 105/2004 fin EN/o