

# **Legal Status of Euregio**

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**MTÜ Helsinki-Tallinn Euregio**

# Euregio

- It is established in June 1999 as a network of civil servants and politicians (signing of the Charter Agreement) and officially launched in May 2000 (opening conference);
- It was registered in Estonia according to Estonian law as a non-profit organisation with some Finnish peculiarities in December of 2003 to have a legal body to get EU funding
- The main task is to promote co-operation inside the region

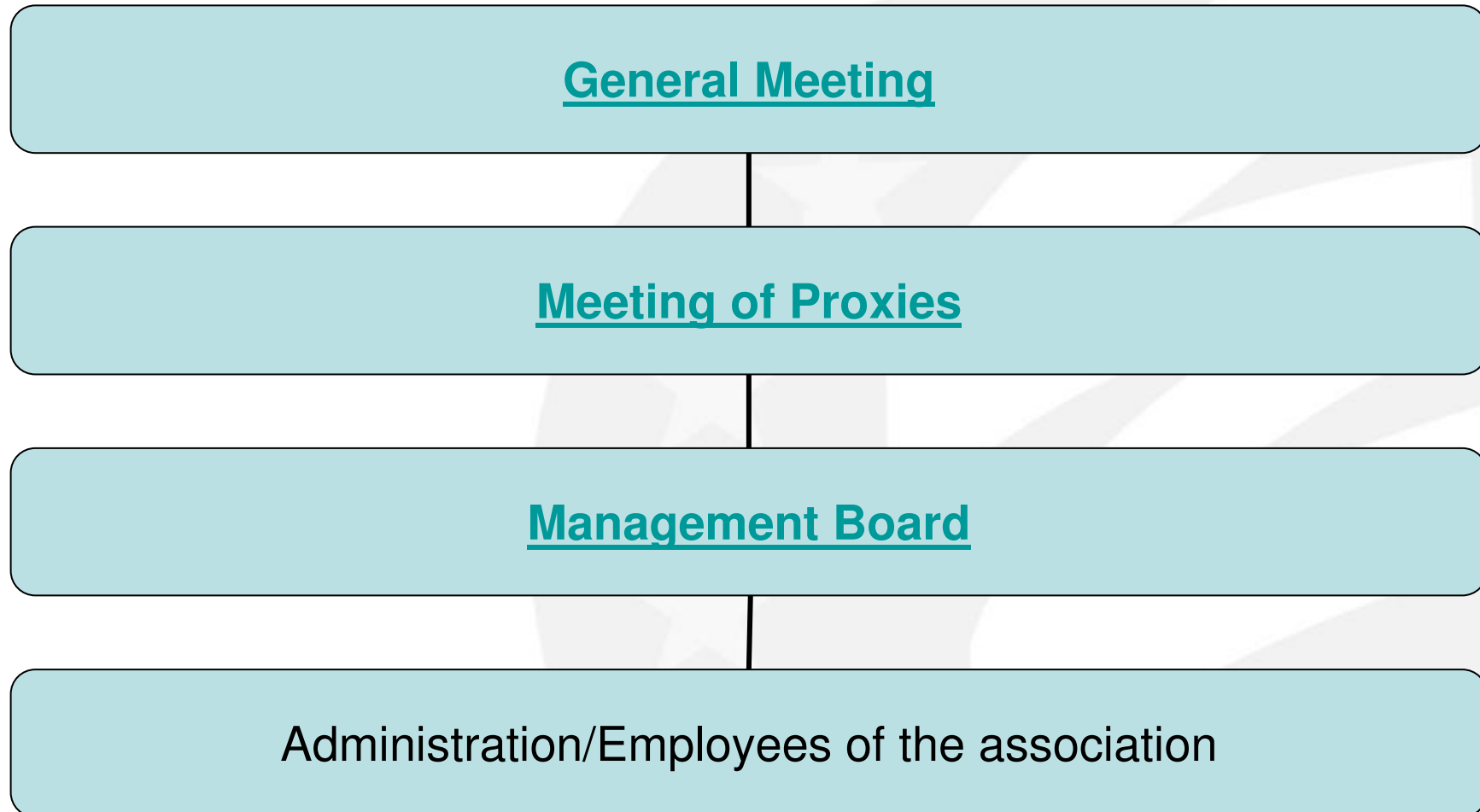
# Members

- Helsinki City
- Uusimaa Regional Council
- Tallinn City
- Estonian Republic represented by Harju County Government
- Union of Harju County Municipalities

# Budget

- Membership fees:
- 2006 – Finns 60%, Estonians 40%
- 2007 – Finns 55%, Estonians 45%
- 2008 – Finns 50%, Estonians 50%
- +
- Interreg IIIA and IIIB funding for concrete projects with separate project managers

# Estonian non-profit associations act:



# General meeting

- The highest body of a non-profit association
- supervises the activities of other bodies;
- adopts resolutions on all management matters;
- amends the articles of association;
- changes objectives;
- appoints the members of the management board;
- elects members to other bodies;
- decide on entry into transactions with members of the management board or another body

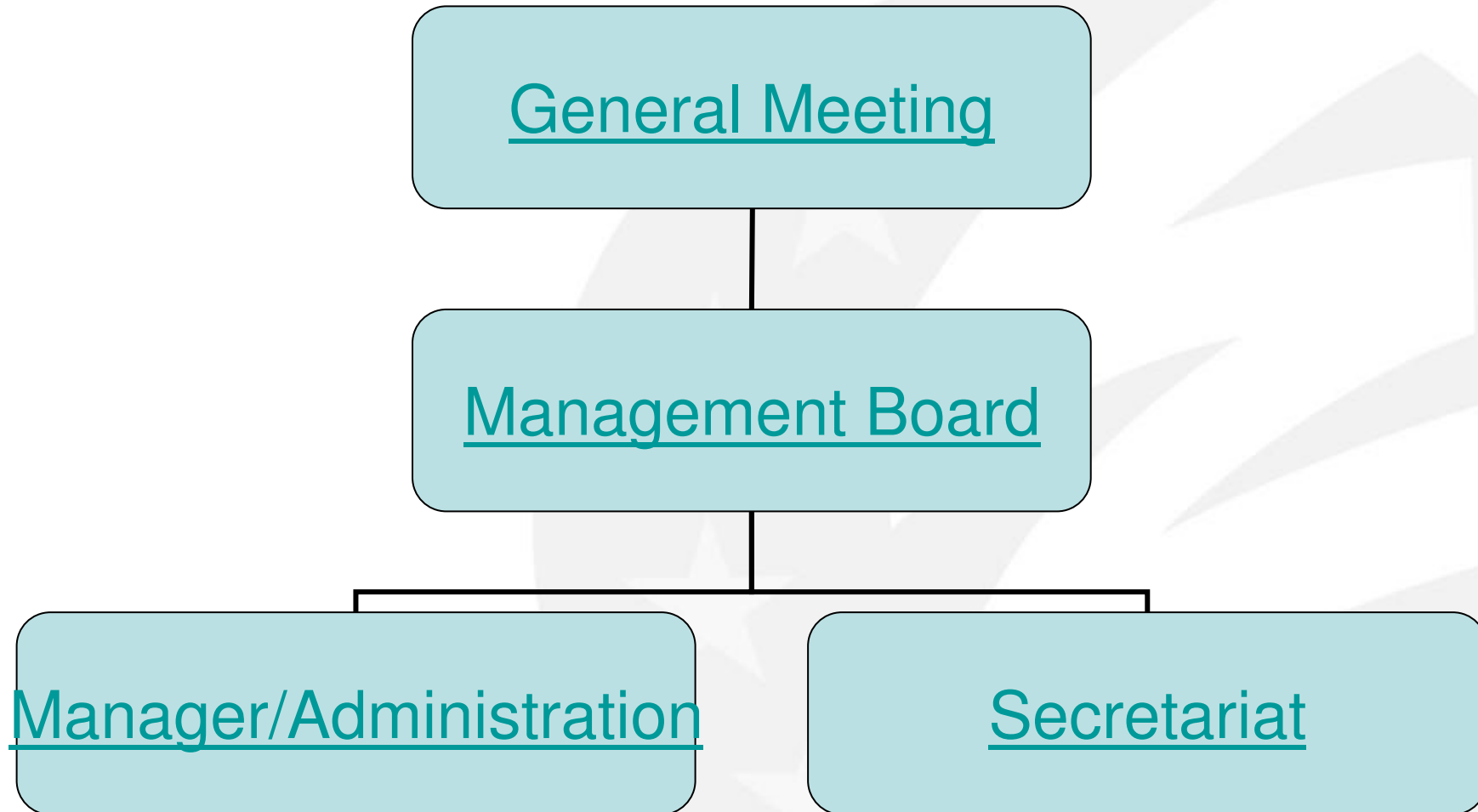
# Meeting of Proxies

- elected by and from among the members of the non-profit association;
- all members of the non-profit association have the right to participate in the election of proxies;
- the provisions of this Act concerning the general meeting apply to the meeting of proxies

# Management board

- May have one member (director) or several members;
- the general meeting appoints the members of the management board;
- every member of the management board has the right to represent the non-profit association in all legal acts unless otherwise provided by law

# Helsinki-Tallinn Euregio



# General meeting

- Consists of civil servants
- approves the activity report and annual accounts of the Association;
- decides on giving of approval to the activities of the Management Board;
- approves the activity plan and the budget of the current year of activity and determines the amount of membership fees;
- appoints and removes members of the Management Board and their substitute members, the controller and the internal auditor;

# General meeting

- changes the objectives and amends the statutes of the Association;
- manages the strategic activities of the Association;
- accepts new members and excludes members;
- decides on the dissolution, merger or division of the Association;
- directs and supervises the activities of the Management Board;
- decides on the foundation of structural departments and working groups

# Management board

- Consists of politicians initially (now some civil servants)
- manages the activities;
- prepares the activity report, the annual accounts and the budget and submits to the General Meeting;
- implements the resolutions of the General Meeting;
- organises the accounting of the Association;
- elects the Manager of the Association;
- calls the General Meeting;
- disposes of the assets;
- keeps the accounting of the members

# Manager

- Not part of the board
- organises the daily activities and business of the Association;
- prepares and submits to the Management Board matters to be discussed;
- makes proposals to the Management Board in regard to the development of the Association;
- performs tasks provided in the work instruction approved by the Management Board

# Secretariat

- The advisory working group to the Manager, not foreseen by Estonian law
- consists of civil servants today
- assists the Manager upon the performance of the tasks placed in his/her competence
- the Manager acts as the head of the Secretariat
- the Secretariat convenes if called by the Manager

# Presidency

- Unofficial presidency (not foreseen by law)
- Every 2 years the presidency changes and the chairman of the board is elected from the organisation taking over the presidency
- Constraint: As the right to sign documents is given to the chairman of the Board and one member of the Board jointly, then one person can sit in Finland and other in Estonia

# Contradictions

- The Board consists of top-politicians who must make decisions on everyday issues and on a too low level and they are subject to officials in the General meeting and supervise the work of politicians but at the same time they are actually employed by the same politicians.
- The Board members are registered in the register of non-profit associations which means that the association can only be represented by the chairman of the Board and one member of the Board jointly. The Board members have financial responsibility with their own assets.
- The manager has no right to sign documents nor has the manager financial responsibilities.
- Secretariat – according to Estonian law on non-profit associations such a body has no rights nor responsibilities and is not mentioned in the law

# Ways to solve the issues

- General Meeting – the highest body, which according to Estonian legislation should consist of the highest leaders of the partners according to their positions
- The General Meeting appoints the Board which consists of the representatives who are next after the representatives of the General meeting by their positions. They may delegate a substitute person according to a written order

# Ways to solve the issues

- In case the manager is not a member of the board, the manager is not registered in the register of non-profit associations and has no right to represent the association; 2 solutions:
  - a manager is a member of the board
  - a manager will be delegated full credentials (Euregio's case)
- A secretariat is not foreseen by Estonian laws. It should be an independent decision of each Board member to whom they pass the issues to be prepared for them and which advisors they use for each topic.

# Letter of authorization to the manager

- represent Euregio at negotiations and other meetings with third persons;
- open bank-accounts and sign bank-documents on behalf of Euregio, use credit, bank and internet bank cards;
- Represent Euregio in Tax and Customs Board, conclude e-contracts of the Tax and Customs Board
- confirm invoices issued by Euregio, sign and pay invoices payable by Euregio;
- conclude contracts under the law of obligations and other contracts with third persons on behalf of Euregio
- compose and submit current reports, including financial reports, to contractual and other partners of Euregio within the projects confirmed and put forth by the board

# General issues

- How to decide on projects?
  - Problem: if some of Euregio members are already members of a project, then they contribute financially directly but when Euregio becomes a project partner, then they contribute twice (via own institution and via Euregio)
  - Solution: Euregio will lead projects and participate in projects where the majority of the members are in favour of the projects, the partners benefiting directly from a project should contribute to the projects in cash and/or in kind
- How to decide on strategic goals? A very very long consensus process.....

# Additional information

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