



Decentralization and Local Governance in South Eastern Europe and Southern Caucasus

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Index

General Introduction	5
General situation in the EU and other countries including Albania	7
Decentralization as a key factor of development	8
Challenges and perspectives of decentralization in SEE	9
Case study of different countries on decentralization	11
1 Current situation of decentralization in EU and other countries including Albania	12
1.1 Local self-government across the European Union Present experience in EU member-states and expected developments	13
1.2 The unfinished chapters in the book on local and regional democracy in Europe	19
1.3 Albania, decentralization and the way towards European Integration	20
1.4 Local autonomies and decentralized partnership, origin and sources in Europe	23
2 Decentralization as a key factor for development	24
2.1 The Congress and the opportunities of decentralization	25
2.2 Local Development as a key factor of Sustainable Growth and EU Integration	27
3 Challenges and perspectives of decentralization in SEE	30
3.1 Decentralisation in Albania: challenges and opportunities	31
3.2 Public participation in the realisation of local self-government in Georgia	34
4 Case study of different countries on decentralization	36
4.1 Case Study: the experience of the Autonomous Province of Vojvodina (Serbia)	37
4.2 Case study: the Macedonian decentralization process 2005-2009/10	43
4.3 Case study: the National Association of Local Authorities of Georgia (NALAG) and decentralization process in Georgia	45
ALDA: your partner in Europe. Local governance and citizen participation	48
ALDA's network	49
Contacts	50

General Introduction

A problem that almost all south-east European countries face after the fall of communism is the passage from a highly centralized and bureaucratic government to a decentralized one. This is accompanied with many issues and challenges.

A good example and starting point is the experience of EU countries, where even there the issues of local self-government are still being handled and new approaches are being evaluated. In the following pages you will have the opportunity to read the questions that sometimes are answered in some context but not in some other contexts. The experience of EU countries is with different tier management of governance. There are different countries that have solved differently the management of local government. Eleven countries have the two tier system six countries have the three tier system and some others have either two or three depending on the place.

Still even though there might be lots of challenges and difficulties, there are lots of opportunities also and the experience has shown that decentralization is much better than centralization in various aspects, but the most important one is the one of subsidiary principle. This principle is not to be seen only as taking of responsibilities by the local government for political or authority reasons, but also as an approach of the local government towards citizens. In this way the citizens will support the decentralization process, by seeing tangible results.

Local government and subsequently local development is seen by the EU as a key factor for sustainable growth and EU integration. Since the local government is to play the vital role in the improvement of life of its citizens being much closer to them and also in managing and using well the resources that might belong to that Local Government Unit. In order to achieve this there is a big attention paid to capacity building of LG staff by the CoE. According to the article 6 of the European Charter on self-government authorities, the LGU should hire and train staff capable of absorbing the new challenges and approaches of the decentralization process. On this context the congress has undertaken many initiatives

including the creation of Association of Local Democracy Agencies (ALDA) and Network of Associations of Local Authorities of South-East Europe (NALAS). As a result the process of decentralization in Europe is under its natural route. Now it is no more question of "what is to be done?" or "whether it should be done?" but more a question of "how it should be done?"

It is a known experience already that the local authorities played a very important role peace in the Balkans and to other countries with border conflicts or disagreements. Notwithstanding there are five unfinished chapters of CoE on local and regional democracy which will be discussed further in the next chapters.

Even though there are lot of positive aspects of decentralization, there also some risks that should not be avoided or overlooked. The questions of decentralization in several aspects of development but also of crisis need to get some answers.

It is clear that the decentralization is a step further toward EU integration and this is evident in that the Albanian government has given to such process by undertaking many reforms on favor of decentralization.

But a still going on issue in the SEE countries remains the public participation in local self-government. It is obvious that the right to information does not mean only the right to access of information, but also the right to have understandable and readable information for the broad public. This is brought by the experience of Georgia where there are some good initiatives on providing public participation and consultation, but has not reached the desired level of functioning.

The case studies of various countries such as Vojvodina, Macedonia, Albania, Georgia will give a specific approach that is different for every country since the decentralization process has many peculiarities in each context.

In the present publication you will have the opportunity to go through and also see the theoretical, but also the practical approaches and the issues that the decentralization process brings, the strong points and benefits, but also the challenges that lay ahead.



General situation in the EU and other countries including Albania

Since the adaptation of the European Charter of Self Government in 1985, EU countries have struggled in the way of the decentralization. Even though the European Charter gives some clean guidelines about self government and subsequently about decentralization, there are still ways and modalities to be implemented which need attention and also being adopted according to the context. As it is true that not all the EU countries have the same self government it gives way to the reasoning as what self government is all about, managing rather than structuring. From the experience of the EU countries it is also proved to be more efficient economically, politically and sociologically.

As for the conditions for implementing the self governance are theoretically the same provided in the charter, practically the securities and limits vary from country to country. There remain some difficulties in finding the best solution regarding the areas for the Local Government. Smaller or bigger areas, which are the best? There is also no standard or best practice as to structuring or the number of tiers for the local government. Different member states have different structuring varying from one tier to three tiers and mixed as well. This is best illustrated that some countries had to amalgamate some smaller areas to big ones, but then had to find other structures to better manage those big LGU-s. The case of Lithuania and France, similar is the case of Tirana with "minibashki" (mini-municipalities).

Decentralization has a long way to go, but all the member states have a strong consensus that local democracy is an accepted fact. Congress of Local and Regional Authorities of CoE has given a high priority to local democracy to its member states, but also to other states aspiring to become candidates for the EU. Even though the decentralization is an important issue and globally accepted, the historical backgrounds shape the nature and scope of reforms toward decentralization in each country. This is especially true for the Balkans and Caucasus.

In this context Albania also has made some big progress toward decentralization reforms by adopting, creating and changing many laws to LGU benefit, by also quadrupling the grants for local governments and

working hard toward rapid transfer of state property. But notwithstanding the willingness of Albanian government for the reforms on the matter, there remain some raised issues which need to be met that affect the process and these include but are not limited to the level of resources, of capacities and governing willingness.

In this chapter these issues will be treated in more details and will also go further to the definition of some "unfinished chapters" on Local and regional Democracy in Europe. One thing remains for sure: Local authorities no doubt played one of the most important roles in contributing to peace and stability in the Balkans.

Decentralization as a key factor of development

The subsidiary principle of the Local Government helps in many ways. It is not only thinking of the service to the citizens, but also the development that it brings. The local development seeks for best alternatives and opportunities for development which is not that much possible, or not possible at all at central level. The Congress has seen as very effective way and has started many initiatives on the issue. The creation of association of local governments or democracies is one of the many steps undertaken by the EU Congress. Even though the trans-frontier cooperation is not clearly stated in the European Charter, it has still been very fruitful the cooperation of the local governments at such level. It has served as a development agent for the regions where different LGU have belonged to different countries. This cooperation is impossible or very difficult at national or central level, since there are many other factors that need to be considered for this.

It has been a fact that the cooperation on development of LGU has somehow left behind some ethnic or historical backgrounds belonging to the population. This has been encouraged by many joint projects financed by the EU especially the ones that accelerate the reforms in the region, encourage cooperation and strengthen commitment to European and Euro-Atlantic integration.

Many recommendation of the Congress on some areas of sustainability such as adaptation to climate change, new energy culture, reintegration of street children etc. and social life such as urban security, gender equalities, protection of minorities etc. have been addressed and adopted at local level.

In reality all the big programs and projects that have as integral part the public participation are carried forward by the local governments, being the ones in closer contact with the citizens, but also playing a more effective role in education, role modeling and awareness raising in the community. This also due to the fact that the citizens feel more involved in the processes and in decision making. And this is achievable only and only at local level.

Decentralization is an indispensable factor on the economical dimension as well. As it will be discussed further in the chapter of challenges and perspectives,

still there are many benefits in economic development. As every region or LG area is different with peculiarities and opportunities for development the local economic or fiscal policy play a vital role, since at the local level it is much more possible to make differentiation of fiscal policies according to the paying capacities of the people. In this way the citizens feel the same appreciated and support the reforms and development of the LG.

Challenges and perspectives of decentralization in SEE

It is clear that the real political decentralization is the decentralization of economic resources. This is the hardest point of the decentralization process. It is a two-sided issue having to do with the central government's willingness and also with the local government's capacities. There might be many projects and reforms of the central government willing to decentralize almost everything, but with the hindrances of the economic bill accompanying the reform.

Decentralization also means sharing responsibilities, sharing opportunities, sharing projects and ideas of the future in the interest of the development of territories and of improving the quality of life of citizens and is not a mere giving and taking of power or authority.

Since decentralization is a process and not an event in itself it brings many issues and things that need to be solved at the local level according to context. There is no magic formula as to how to implement decentralization in a given context. Political actors are divided in two thoughts of the decentralization process: the ones who prefer the slow decentralization which comes from the devolution of powers and the ones who prefer the fast decentralization which is a fruit of big and fast reforms. Under the latter falls the case of Albania where there are many initiatives undertaken by the government as to push forward the decentralization process. There is a long list of initiatives and reforms presented in the proper section of this chapter.

There are benefits and risks in the decentralization process. The benefits include: administrative efficiency, control, balance and transparency, participation and democracy, matching preferences and social cohesion, competition, dynamism and development, laboratories of innovation and the creation of leaders. While the risks include: administrative slowness, economic inefficiency, lack of coordination, local tyrannies and corruption, increase in tensions. All these will be discussed more under the proper section.

However, even though the decentralization might seem successful there are still many challenges to be faced by the authorities. The main one is the public participation

in decision-making processes. Even though there are good laws and legislative acts which encourage public participation, the main reason is the hold-back or the diminished public interest and activity. Such is the case of Georgia, which is explained widely in this chapter. However, this is something to be considered as historical background of the SEE and Caucasus countries. Passing from dictatorial centralized government to democratic decentralized ones is not that much easy for the public to get used to. There are many challenges laid before the local government on this issue in order to function as they should. There is much to do at the community level so that they get used to the fact that their input matters, but also at the LG level as to make clear and understandable to the community and also make them feel welcomed in the decision-making process.



Case study of different countries on decentralization

The experiences of the countries shared in this chapter are of a valuable importance since it gives a clear understanding that different countries have to take different steps toward decentralization either at its first stage like SEE and Caucasus.

The Autonomous Province of Vojvodina is a separate issue in this publication as its peculiarities are unique in the area. They have worked differently for the decentralization process as it has been more political matters rather than political and administrative reform as in other contexts.

The process of decentralization in Macedonia started with the Local Government law of 2002 which has extended responsibilities of municipalities by giving them the right to perform their responsibilities independently and being subject only to legality oversight. The structure of LGU is that they are divided in municipalities and Skopje being a separate unit of local government. The immediate action taken by the LGUs in Macedonia include responsibilities on; urban planning, education, lifesaving units, communal public enterprises, and financial management. At this first stage of decentralization there are many issues and challenges to the LGUs. According to the performance in the first stage the LGUs will be able to go further in the other stages of decentralization undertaken by Macedonia.

However this peculiar situation in the states of ex-Yugoslavia is tightly connected to an inheritance of self-government of the units, controlled by the communist regime there.

Georgia being the first country from South Caucasus to join the Council of Europe in 1999, faced many difficulties in the process of decentralization. Even though they had many political issues they considered decentralization as a commitment to EU integration and thus they worked hard toward it. For Georgia EU integration means the only choice for country development and thus the Local Democracy is a big step for Georgia. Seeing decentralization as necessary for development, and also as an important pillar in the decentralization process Georgia went further

to fill this lack of this pillar, the pillar of unified voice. So they constituted the National Association of Local Authorities of Georgia (NALAG). NALAG is a powerful energizer towards decentralization by focusing on the following: Strengthening of NALAG as membership organization, Promotion of decentralization, Capacities building at local level, Cross border cooperation in South Caucasus. In this way Georgia is very optimistic to be successful in decentralization process as of first importance toward EU integration.

1

Current situation of decentralization in EU and other countries including Albania

1.1 Local self-government across the European Union

Present experience in EU member-states and expected developments¹

In its preamble the European Charter on Self-government acknowledges that the Member-States of the Council of Europe, signatory hereto, are:

“aware that the safeguarding and reinforcement of local self-government in the different European countries is an important contribution to the construction of a Europe based on the principles of democracy and the decentralisation of power”.

So across Europe local self-government is seen as one of the pillars of democracy, as one of the elements of any democratic system. Surely this is the reason why according to Art. 2 (*“the principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution”*) nearly all EU member-states have incorporated the principle of self-government in their constitutions whatever the way they have named it.

What is local self-government about?

Local self-government is about managing local government rather than structuring it, in opposition to what is usually said: local self-government is a principle that entails freedom in managing and making decisions for those public authorities that are said local because they are separated from central government. This freedom is only delineated by acts of Parliament which must define the conditions and securities under which such the basic principle of local democracy is implemented (Art.9 para.4). Interestingly according to the Charter, *in fine* central government should play an unassuming role that is restricted to a vague form of administrative control (Art.8). Financial control is not even mentioned although it is common place and needed by the communities to protect them against local councils' misleading management or decisions. Controlling local authorities is a protection against any attempted move back to feudalism and any risk of corruption in the localities.

¹ Contribution by **Dr Stéphane Guérard** and Dr Michèle Breuillard from Centre d'études et de recherches administratives, politiques et sociales, Université de Lille 2- Centre national de la recherche scientifique, France

What is local self-government for?

It is more and more useful economically, politically and sociologically since law is just a tool.

Economically, globalisation and the present economic crisis clearly show central government's withdrawal and failure for the benefit of local authorities. Central government appears to go further and further from citizens and users. Moreover the present crisis has reminded us that 'Unity is strength' and construction the European Union is not a choice. Its needs to be successful for all the member-states, economically as much as politically.

Politically, if the centres for decision-making are separated between central and local tiers this makes room for opposition party groups to play their own role at the local level if they cannot have a role at the national level. So local self-government entails that swings in the balance of powers can happen at any time.

Finally, **sociologically**, out-reach management better answers citizens and users' needs in terms of new demands for the general interest, for more information, and public relations... So is participative democracy, for new and more efficient local policies. However one question remains to be asked: how much are local users prepared to pay for quality local services?

All over Europe the conditions for implementing local self-government are theoretically the same but practically securities and limits vary from one member-state to another one.

I About the conditions for local self-government to be implemented

Four conditions are required:

- shaping areas for local authorities **(A)**;
- a functional dimension **(B)**;
- the issue of responsibilities for local authorities and so devolution from central government **(C)**;
- and finally the necessary means for local authorities to implement their responsibilities **(D)**.



A) Shaping areas for local authorities

This is not an issue for the European Charter on self-government but it is an major issue that needs to be raised: We think that local self-government wants areas to be properly shaped so that they fit the management of local affairs. So the next questions are difficult to answer: Smaller or bigger areas? What is the "standard" territory, ideally?

More than a big area, autonomous local authorities need coherent, effective and democratic one to deliver efficiently.

- A **coherent** area: it must represent an economic and social unit, which sometimes may result from a long historical process; as an inheritance. An obvious example is the French communes and "départements" which date back from the Revolution.
- An **efficient** area: it must be fully adapted to any policy decided by a local authority that has responsibilities and human, material and financial means related to the management of the area.
- A **democratic** area: it must be a framework for the communities to express its needs, to take part to local policy-making and to assess the implementation and the impacts of policies. Hence, according to the Council of Europe, out-reach democracy is fully developed when it comes as a tool for enacting and assessing local policies.

However we now need to ask the question of tiers: how many local government tiers need to be structured to ensure local self-government within a country?

B) The structural dimension

Either federal, unitary or 'regionalized', nowadays every EU member-state has to face the following issue: what is the 'right' number of local government tiers in order to decide over efficient policies?

Smaller European states usually have only one tier of local government. In Europe 9 of them (Cyprus, Malta, Bulgaria, Estonia, Latvia, Lithuania, Luxembourg and Slovenia) only have municipalities;

Eleven member-states have a two-tier system, with municipalities and regions (Denmark, Greece, Hungary, Ireland, the Netherlands, Portugal, the Czech Republic, Romania, Slovakia, Sweden). Austria must be incorporated in that group despite its federal structure.

Following the Council of Europe's reports, six member-states have a three-tier local government system: two unitary states (France and Poland), four federal or regionalized ones (Germany, Belgium, Spain, Italy) if the

federal or regional level is to be seen as the third tier.

Some countries have either one or two tiers depending on places: in the United Kingdom England has both a single-tier system and a two-tier system of local government but in Northern Ireland, Scotland and Wales local councils are all unitary.

Interestingly some states where municipalities have been forcefully amalgamated in very large areas, have to 'invent' new forms of management. In Lithuania, municipalities are divided into neighbourhoods as *decentralised* (strictly legally speaking *deconcentrated*) units with some financial means of their own. Similarly in France, larger cities are divided into *mairies de quartier* but smaller communes are gathered into joint 'intercommunal' bodies (*établissements publics de coopération intercommunale, EPCI*), that make decisions and implement local policies on behalf of their member-communes. Such an reorganisation conforms with the European Charter's wish to promote joint bodies (Art.10).

Such a varied distribution of local government tiers shows that it remains to be seen whether uniformed and amalgamated local authorities offer economy scale, whether they can spare tax-payer's money but at the same time make local government more efficient. If efficient local government means that local services are decided upon and delivered as close as possible to targeted communities (Art.4, para 3), the 36800 or so French municipalities that accounts for 40% of all EU municipalities, could be said to typify the *best* adapted system to less densely populated areas (98 inhabitants/km² in 2007, compared to 197 in Italy and 230 in Germany).

Local self-government not only relies on relevant areas, it also relies on a relevant allocation of responsibilities.

C) The functional dimension

The European Charter on self-government (Art.4) only provides for general principles and not for a clear pattern of allocated responsibilities depending on the number of local government tiers.

Most European municipalities are responsible for managing the same kinds of services: water and garbage management, street and road maintenance, town-planning, in fewer cases local hospitals and schools.

Although the allocation of local and regional responsibilities is mainly in the hands of central government in the unitary states (not in the federal states) in most cases local authorities, especially municipalities, are endowed a general competence of administration by law.

Such is the Hungarian Law n°XV/1990, section 1, which specifically endows villages, cities and the capital-city with a general competence. Curiously the general competence is shared by all 3 types of French local authorities (communes, départements and regions). The same for Slovakian regions and municipalities (respectively Law N° 369-1990, 6 September 1990, art. 4, para. 1 and Law N° 302-2001, 4 July 2001).

However any decentralisation reforms implies for central government to transfer financial means too, which makes the principle of general competence still more difficult to enact and which blurs the distribution of responsibilities between local authorities. And there is more than a mere exercise in administrative and constitutional law in the distribution of responsibilities among local authorities since the issue of financing locally policy-making lies behind. That is the reason why in Hungary, responsibilities for municipalities and counties vary according to how much each local authority is rich or poor.

D) The Material Dimension

Here we raise the successive questions: how to define useful means for the management of a local area and population ? then the next question is: what means do local authorities have – or should have – at their disposal?

This is a serious question for very small municipalities in rural areas, as showed in Estonia where some towns have embarked on litigation proceedings against central government. The European Charter on self-government defines *means* as material, financial and also human resources that includes not only staffing but also “*New Public Management policies*” (Art.6, para.2).

II What are the securities and limits for implementing local self-government?

Securities and limits refer to the issue of local councillors’ status (A), central government’s administrative, judicial and financial controls over local authorities (B), local authorities’ access to constitutional litigation proceedings (C), and finally participative democracy (D).

Local Councillors’ Status

Art.7, para.1, European Charter on self-government: “*The conditions of office of local elected representatives shall provide for free exercise of their functions.*”

1) Hence to be fully achieved local self-government implies that (Art.3, para. 2) “*This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis*

of direct, equal, universal suffrage, and which may possess executive organs responsible to them.”

2) Moreover as for the internal working of local authorities, local executive bodies should be answerable to the local assembly. Although it is seen as an essential aspect of local democracy this point is rarely provided by local government laws across Europe. In opposition to the Charter (Art. 6) which wants local authorities to choose their own organisational rules most often a act of parliament draws a uniformed framework for local authorities to conform with.

Local councillors should also have special rights to fulfil their mandate, allowing them to be trained as councillors and to special leaves of absence and allowances, at their local authority’s financial cost (Article 7, para. 2). This is the cost to be paid for representative democracy.

Administrative and financial controls over local authorities

While the European Charter refers to administrative controls, it forgets about financial control. Also it does not clearly state if this administrative control is made by central government or by another authority.

1) Art.8 para.1 and 2 remind of the well-known general principle for Western democracy: No administrative control without any legal text, nor beyond what these legal texts assert.

2) While financial controls are not written about in the Charter, Art.9 calls for sufficient financial means to be allocated by central government to local government in order to compensate for the cost of managing the transferred responsibilities. This opens up the discussion toward financial autonomy for local authorities through a convenient taxation system that would offer them directly levied resources. On the other hand one must not forget about equalization system that helps balancing revenues between sub-national authorities. If financial autonomy cannot be achieved we wonder whether local authorities should or should not have access to constitutional courts to sue central government and protect their own rights, even in unitary states.

Local authorities’ access to constitutional courts

1) Art. 11 provides for such a right.

2) In a federal state länder or regions are entitled to sue central government for violating their fields of competences, according to the federal constitution (Belgium, Germany, Austria).

- 3) Similarly some unitary states have open up their constitutional court to local authorities and case-law is becoming a growing business (Bulgaria, Poland, Portugal, Czech Republic and Slovakia). Spanish autonomous communities and Italian regions can refer a case against central government to the constitutional judge.
- 4) As they have political impacts, constitutional litigation proceedings are risky for constitutional courts that can be 'instrumentalised' to settle political conflicts based on financial and human resources issues.

Participative democracy

Curiously, the Charter raises this issue only incidentally (Art. 3, para.2) although nowadays many legal tools exist to inform citizens and to ask for their advice or decision, in the case of referendums.

But participative democracy must not compete with representative democracy that is embodied by elected lawful councillors. So participative democracy is useful only if it is for incorporating citizens into evaluation in the view of reforming and improving policies and services, both at central and local government levels. The Lithuanian example of 'one stop offices' could be a starting point for other EU member-states.

Conclusion

"On ne fait pas un gouvernement libre avec un peuple de valets"

(A. de Tocqueville).

On 23 August 1989 more than 2 million Baltic citizens stood hand in hand in order to claim one essential, fundamental thing which was closely related to their dignity as human beings: the right to be free, to be able to have their own autonomous institutions, to manage themselves their own affairs they were ready to be responsible for.

For all those men and women the way forward to local self-government within Europe, hence to local liberties was one of the most efficient ways to answer their claim for administrative and financial autonomy and for local democracy. As Napoléon IIIrd wrote in 1852 in the Preamble of a statute: *"if one can rule from a long way, one can govern in the right way only from nearby"*.



1.2 The unfinished chapters in the book on local and regional democracy in Europe²

Shortly after WW II representatives of local and regional authorities got together to discuss the possibilities of cross-border co-operation. Their main aims were to raise living standard, to ensure lasting peace and to overcome border barrier restrictions.

These local and regional authorities were no doubt a pillar for democracy in Europe. They were close to the citizens and therefore in the best position to meet their aspirations and solve their problems. Their results justified the introduction of the terms local democracy and regional democracy.

In the seventies and the beginning of the eighties umbrella associations of local and regional associations were established throughout Europe. These associations strongly influenced both the EU and the Council of Europe.

In 1988 the Council of Regional and Local Authorities of the European Union was set up as a forerunner of the Committee of the Regions and in 1994 the Congress of Local and Regional Authorities of the Council of Europe was established (two chambers).

Later time, after the fall of the Berlin wall, decentralization, primarily under the influence of the European Charter of Local Self-government, mostly contributed to the democratic process in Central and Eastern Europe more than any other document. Showing the full strength of grass-roots democracy.

In the mid nineties after the war in the Balkans, it was not the national authorities that came together first to discuss and solve the post war problems, it was the local authorities. Their aims were practically the same as those mentioned after WW II (raise living standard, ensure lasting peace, overcome border barrier restrictions).

Soon after the war in the Balkans, local authorities on the borders of the newly established states started to rebuild the roads, water supply systems, gas pipelines, telecommunication system, etc. It was also the local

and regional authorities, that initiated joint economic projects, to use resources from both sides of the borders, employ their citizens and enable economic recovery. **Local authorities no doubt played one of the most important roles in contributing to peace and stability in the Balkans.**

However, even though much has been achieved in bringing the decision making process closer to the citizen there are still FIVE unfinished chapters in the European book on local and regional democracy:

- 1. Battle for subsidiarity:** even after ten years the «European charter on regional self-government» has still not been adopted by the Committee of ministers of the Council of Europe.
- 2. Capacity building and good governance at local/regional level:** the «Strategy on Innovation and Good Governance at Local Level» adopted in March 2008 has still not been implemented in everyday life in the member states of the Council of Europe.
- 3. Co-operation between national, regional and local authorities:** at the moment regular co-operation between the three levels of governance does not exist, yet is essential if we are to achieve better results.
- 4. Citizens participation:** all CoE member states should implement the newly adopted protocol to the European charter on local self-government. It's extremely important that towns and regions support citizens participation in decision making process.
- 5. Trans-frontier co-operation:** all CoE member states should sign, ratify and implement the Madrid Convention and its three Protocols and in this way enable efficient transfrontier co-operation of local and regional authorities over border-lines throughout Europe.

It's fundamental to reflect on what has been done and what is possible to do to complete this process towards a participative and efficient Europe.

² Contribution by **Mr Miljenko Doric**, representative from Council of Europe

1.3 Albania, decentralization and the way towards European Integration³

Albania is a country with a clear pro European vision and the perspective of Albania for membership in the European Union is already a reality and it will not be long before we take the status of the candidate country which will come as a result of the commitment of Albanian Institutions to meet legal and governing obligations, deriving from the Stabilization and Association Agreement and other international obligations.

Local government is a key factor for Albania to make progress towards membership standards in EU and a lead partner to central government and other agencies in this effort.

So the opportunity to join together all the stakeholders in the process of decentralization to face the achievements, ambitions and the challenges of decentralization is extremely important for the future of the country.

Nowadays, municipalities and communes in Albania are pretty much exposed to European countries standards, open to initiatives, experiences, national and international programs which assist them in reaching autonomy and performance, standards and governing reforms. In the meantime the expectances of Albanian citizens for services and well-being have increased and this calls for a higher standard performance of central and local power. In his effort decentralization remains one of the major challenges of such competences and reforms for a country like Albania, be it in the transfer of competences and resources, or efficient implementation of resources to enable governing performance. There should be a partnership between two levels of governance and in respect of constitutional guarantees.

Sustainable decentralization is a fundamental pillar of a democratic system and society and for Albania that passed through a stage of thorough centralization this process becomes more decisive for strengthening of democracy and raising standards of well being of Albanian citizens. The parliament of Albania has played

an important role in encouraging this process and all other reforms that have fostered local autonomy and performance.

In this process of decentralization the local governments have the responsibility to go beyond the role of service provider but manage drafting and implementing short term, middle term and long term programs for development. It is their duty as well to create premises for sector-based, and national development strategies being in full match with obligations of local power.

Albania is in an advanced stage of decentralization resulting from the reform that accompanied the process of transition in society and the Albanian state since 1992, the time when the first local government units were created after the communist system.

In the meantime upon the proposal made by the government in the last mandate, the Parliament passed a number of laws that supported the implementation of decentralization and empowerment of the local power like:

The law on local taxes and fees 2006, Local loans 2008, Management of budget system 2008, Public procurement 2006, Territory planning 2009, Inspection on construction 2007.

All these decentralizing policies have produced already the best of legal basis in the entire region which guarantees sustainable local autonomy with concrete results for the community of these communes and municipalities.

The government policies embedded in the laws passed by Albanian Parliament have been reflected in concrete results for LGUs like:

- quadrupling of the grants for local governments;
- rapid transfer of state property, support to electronic procurement;
- agreement with international financial agencies like the case with World Bank on drafting urban plans or construction of landfills, water treatment plants, etc.;
- speak of a strong commitment among partners

³ Contribution by **Arenca Trashani**, member of Albanian Parliament

at central and local level in the process of decentralization;

- support to infrastructure for the areas with high priority for development.

This institutional partnership seeks for a continuous positive dialogue with local governments mainly with associations that represent them and are a product of decentralization process in Albania.

The program of the present majority in power emphasizes engagement towards decentralization and competences for local governance enabling a balanced development all over Albania especially in rural areas and places potentially tourist.

The process of decentralization in Albania has produced fair responsibilities and means for the LGUs. They already offer a number of public services, collect taxes, manage the territory, draft projects, design priorities, contract companies and services, influence on education, social, health and environment issues, etc.

At the same time EU policies have offered many approaches and priorities to local governments in Albania. The administrative territorial division of the country imposes governing policies which favour planning and developments at regional or local level. Such policies affect the process of decentralization be it in the field of transfer or implementation of competences and resources in a way that adapt to financial mechanisms of EU and its developing policies.

Among the challenges of decentralization and efforts to increase opportunities, financial means and property resources, LGUs are supported not only by the Parliament and Albanian government but also by institutions and international mechanisms such as the Council of Europe, unilateral and multilateral donors and international financial agencies like the World Bank.

Community means like IPA and the program of cross border cooperation comprises a great asset for the beneficiary LGUs. IPA as an instrument of pre accession and a financial means of EU is one of the biggest suppliers and one of the best facilitators in meeting the standards set by AAS and from which can benefit LGUs.

Regional cooperation is an important element for European integration and intensification of cross border cooperation between LGU in Albania and other places along the border is a crucial factor of assistance for IPA funds in favour of economic development and establishment of contacts among communities and governments of neighbouring countries.

So it is necessary that LGUs get prepared in order to

make use of such financing mechanisms even by capacity building or approaches in inter communal cooperation, planning for development or budget planning at regional or local level.

On the other hand decentralization is a process posing challenges to be met in misbalance by different LGUs for a number of reasons like:

- The level of resources
- The level of capacities
- Governing willingness

Decision making methods, anyway, remain the main needs for LGUs as big as the opportunities that can push LGUs towards innovations and new initiatives.

Strengthening of local autonomy in communes or municipalities and councils of communes originates from financial autonomy. Future challenges for LGUs are tax collection, fiscal discipline and tax collection on the real estate. In fact the level of tax collection is still low, what is also mentioned in the progress report of the Council of Europe 2009. This low level impacts negatively on governing performance in the process of using opportunities for loans or even benefitting from co financing of LGUs.

Improvement of decision making regarding exploitation of funds from local resources, drafting and implementation of visions and developing strategies, quality and efficiency for offering services, capacity building of human resources to face the delegated competences is needed. Involvement of civil society, and community in decision making, ability to absorb funds from EU, interaction with other NGOs and LGUs comprise other challenges for LG is a priority.

In order to face such challenges brought from the decentralization process we need to support LGUs with favorable legislation on inter municipal cooperation, on local finances, regional development, property management etc, and coordination of planning at central ,regional and local level also increasing government grants.

In addition to partnership between the Albanian Parliament, Government, and LGUs another important role goes to associations of Local Governments. Strengthening of their lobbying role and making contacts in the Parliament makes up another platform of cooperation of cooperation that will foster treatment at any time of such issues.



1.4 Local autonomies and decentralized partnership, origin and sources in Europe⁴

While originating from similar economic structures and highly centralized political and administrative systems, the countries of the Europe and borders regions have followed very different approaches to decentralization depending on the key drivers of their respective historical, geographic, ethnic, political and macro-economic environments. This has impacted the pace at which the process has been implemented and the results that have been achieved. Decentralisation is an important issue and it cannot be affected by the historical background.

A civil society in dialogue with the central government is the model adopted by Italian society. The situation is different in the Balkans and in Caucasus for many historical reasons. Currently, decentralization processes are taking place in most countries of the region but their historical, political, geographic and demographic differences have determined the nature and scope of reform in each country. Decentralization and fiscal decentralization in particular, remains a work in progress in the region. Donors have been actively involved in advocating and supporting decentralization processes globally as part of its efforts to promote citizens' participation, better governance, improved local service delivery and local development/poverty alleviation.

It's clear that the way towards decentralization is not the same for all, it's important that political system support the process in a correct way. In Italy decentralization has been a long process and nowadays regions have more and more competencies and decision making power on a significant number of funds.

Infact the Constitution allowed for the creation of regional governments through Legislation but it was only in the 90s that the roadmap towards decentralisation was effectively implemented. Infact in this period the law gave new powers to municipalities and provinces to adopt their own statutes and to define their organisation. The measure adopted also clarified the role and functions of mountain communities and instituted

metropolitan areas connected to the principal national poles of urban aggregation. These centres were given territorial planning and network service functions and tasks related to economic development.

Nowadays the dialogue at local level is a reality feeding democracy but local administrations have the responsibility to support and sustain local actors on common issues.

Brindisi Municipality is a good example of efficiency and attention to this aspect. Infact Municipality established the department for development cooperation paying attention to the dialogue with local actors. Representation from local organisations, university and professional association are involved and consulted for the development of new proposals. The negotiation process sustains the decentralisation and it permit to submit successfully 40 projects.

⁴ Contribution by **Mr Massimo Ciullo**, coucillor of Brindisi Municipality, Italy

2

Decentralization as a key factor for development

2.1 The Congress and the opportunities of decentralization⁵

During the war conflict in the Balkans, the primary attention of the Congress of Local and Regional Authorities of the CoE was focused on the countries of the former Yugoslavia, but has gradually expanded since to include the vast area of the Black Sea basin. Drawing on this experience in South-East Europe and applying it to South Caucasus is its current endeavour.

In this context it's of primary importance to have the chance to evaluate the opportunities offered by decentralisation, gauging its challenges, taking stock of the current situation and assessing the role of local government as a catalyst for revival – and, most importantly, ways of strengthening it.

The international conference on decentralisation and local governance in South Eastern Europe and Southern Caucasus and the final deliberations have reinforced the conviction that the immense movement of decentralisation, which is underway across Europe, is unstoppable. It is the case in South-East Europe, it is the case in South Caucasus, it is the case elsewhere on our continent.

Of course, decentralisation still has some way to go, but even if the good health of local democracy and the quality of local governance still varies in Europe, even if there is much room for improvement, local democracy today is an accepted fact, and it is the object of strong consensus in European member states.

The serious global crisis highlights the need to re-localise our societies. Paradoxically, the era of globalisation is also the era of “small is beautiful”, the era of the local community. Local authorities are the heart of the economic revival policies, and they carried out public investment in many countries.

Sustainability is the other wing of the new policy to find a way out of this crisis and local authorities, who are central actors for improving the quality and the sustainability of our life-styles, will largely work at it.

⁵ Contribution by **Refik Rugeja**, General Rapporteur for Local and Regional Democracy in South-East Europe, Congress of Local and Regional Authorities of the Council of Europe

Against this background, the work and processes already underway in South-East Europe and the South Caucasus need to be pursued and accelerated. It is no longer a question of “what is to be done?” or “whether it should be done” but “how it should be done”. In this regard the Congress of the Council of Europe has a wealth of experience to share, gained in the region of South-East Europe.

The Congress launched many initiatives in the past years, of which the Adriatic Euroregion and the Black Sea Euroregion are just two examples.

Other important Congress' initiatives are the Association of Local Democracy Agencies and the Network of Associations of Local Authorities of South-East Europe, NALAS.

The Congress has been closely involved with many issues representing challenges of local democracy, as the challenges of municipal finances, of energy and the environment, or of urban planning and development.

They may constitute greater challenges for South-East Europe and South Caucasus, regions still recovering from the Communist past and the turbulence of post-Communist conflicts, but they no less relevant for the whole of Europe.

Congress action for local democracy rests on the principles of local self-government set out in the European Charter of Local Self-Government, “Magna Carta” of community rights.

This Charter has been an integral part of many reform processes in central and Eastern Europe, including South-East Europe and South Caucasus, and it is our strong hope that it will be so in the reform still underway in some countries of the region.

The Charter deals specifically with the issues of local finances as one of the main principles of local democracy – and makes it clear that the transfer of responsibilities to local authorities must be matched with the necessary financial resources required to fulfil these tasks.

Local finances have been the subject of the monitoring

carried out by the Congress in member states through monitoring reports and recommendations on South-East European countries – but also on other countries, some of which experienced particular problems with the question. Local finances have also been made the central point of an Additional Protocol to the Local Self-Government Charter, elaborated by the Congress.

Building upon the principles laid down by the European Charter of Local Self-Government, the Congress has made a large number of recommendations and proposals over the recent years on a wide range of issues related to local and regional democracy. Through the Committee on Sustainable Development in particular, Congress has been delving into the questions of energy sources and use at local level, management of water resources, protection of the environment and biodiversity, provision of and access to public services in urban and rural areas, urban planning and development, cohesion within and between our communities and territorial cohesion in a broad sense.

Recently relevant recommendations on these issues have been adopted by the Congress, such as recommendations on responsible and sustainable consumption, on urban biodiversity, on adaptation to climate change, on a new energy culture, on the child in the city and reintegration of street children, on participation of young people at local and regional level.

Congress action in the social field is relevant too, where Congress continue to address such issues as integration of migrants, urban security and neighbourhood policing, fight against human trafficking and against domestic violence, gender equality and protection of minorities, and access to social rights such as housing, health care and education, among others.

All these proposals and recommendations are based on the same philosophy, which is the basis of an integrated approach linking these different aspects into a single whole. The Congress strongly support and promote the idea that today communities building must be centred on the citizens as cohesive communities which embrace all of their members, giving them a feeling of belonging, of being empowered to participate in the decision-making and in all aspects of community life, and providing them with a friendly environment.

Whereas the proposals here described constitute a conceptual basis for Congress action, one of the tools for their practical application is cooperation between cities and regions, cooperation between communities, including cross-border cooperation. South-East Europe in particular – and the Black Sea basin where South-East Europe meets South Caucasus and the “political” East

of European continent – offers an enormous potential for cross-border cooperation which can also serve as a sound alternative to conflict between states.

With this in mind, the Congress established in September 2008 the Black Sea Euroregion as a co-operation platform, which allows local administrations, surrounding the Black Sea, to launch projects related to environment, tourism, as well as intercultural and social cohesion.

As already mentioned Congress created a number of local and regional networks in which the number of cities in South-East Europe and South Caucasus will hopefully increase in the future. Moreover one of the first Congress’ initiatives in this region was also setting up a network of Local Democracy Agencies, known as LDAs, to restore trust and build confidence between war-torn communities through concrete projects on the ground, involving local authorities.

This endeavour proved so successful that the network of LDAs expanded into South Caucasus with an agency in Georgia and the last agency opened is in Shokdra, Albania.

Another Congress’ initiative was to bring together associations of local authorities in South-East European countries into a cooperation network, NALAS. The Association of the Albanian Municipalities is a member of this network that has recently expanded: in fact associations from Turkey and Croatia were the last members joining the network.

To conclude, now it is the time to look at this panoply of existing proposals, recommendations and initiatives and link them together into one integrated and systemic approach. Moving on these different fronts – fostering a new community environment and building intermunicipal, interregional and crossborder cooperation networks – we will move closer to our goal, towards a Europe of Sustainable Communities – in South-East Europe, in South Caucasus, and across the entire European continent.

2.2 Local Development as a key factor of Sustainable Growth and EU Integration⁶

The Regional Cooperation Council (RCC) is a relatively newly established regional organization (2008), with headquarters in Sarajevo in Bosnia and Herzegovina, which promotes mutual cooperation on European and Euro-Atlantic integration of South East Europe in order to inspire development in the region to the benefit of its people.

Local authorities play a vital role in improving the quality of life of their citizens but their contribution must also feed into the development of national policies with their knowledge of local needs and potential, and their practical experience on the ground. Sustainable economic growth and human development in any country depend on an integrated approach to national planning that begins at the local level. On the economic front, the policies and practices of local governments need to focus on helping to generate new business opportunities, create jobs and increase competitiveness. They must also aim at improving the efficient use of energy, water and other environmental resources. Empowering local governments to fulfill this mission is a very important prerequisite.

It is widely accepted that decisions concerning citizens should be made as close to them as possible – and this implies at the municipal and communal level. The importance of local governments in the EU integration process is evident. The majority of laws in the EU are implemented at the local level. Therefore local governments need to already start to acquaint themselves with EU regulations in relevant areas like environment, utilities, spatial planning etc.

RCC, as the direct successor to the Stability Pact for Southeast Europe concentrates on five priority areas: economic and social development, energy and infrastructure, justice and home affairs, building human capital and security issues. RCC is in charge of monitoring, streamlining and complementing different regional initiatives. I have to emphasize that European Union and other important international organizations

recognized the Regional Cooperation Council as their main interlocutor regarding regional cooperation issues in South East Europe. All main stakeholders fully agree that further strengthening of regional cooperation in our part of Europe is important and indivisible part of the overall development process, to the benefit of all actors.

RCC supports all region-based initiatives and project, especially those linked to the most direct development needs of South East Europe: projects which accelerate reforms in the region, encourage cooperation and strengthen commitment to European and Euro-Atlantic integrations.

With regards to this, it has been mentioned the role of local and regional communities in cross-border cooperation in Europe, and in particular in South East Europe. Namely, cross-border cooperation of municipalities and regions is an important segment of European Regional Policy which represents one of the main instruments for overcoming differences in economic and social development in the European Union. This instrument includes both candidate and potential candidates for EU membership through the Instrument for Pre-Accession Assistance and, more precisely, its Cross-border Cooperation Component. It is part of national IPA programmes and Multi-beneficiary IPA Programme intended for stimulating regional cooperation. The first cross-border cooperation programmes begun with EU member states and as of last year there are cross-border cooperation programmes among Western Balkan countries.

In EU 2007-2013 budgetary period, different mechanism of cross-border cooperation came under the same denominator: European Territorial Cooperation. Its aim is to strengthen cross-border cooperation through joint local and regional initiatives as well as for strengthening transnational cooperation focussed on integrated territorial development, and strengthening interregional cooperation and exchange of experience. Out of around 490 million citizens in the EU today, around 182 million (37.5%) live in border regions. Around EUR 9 billion is foreseen for stimulating cross-border cooperation in the EU.

⁶ Contribution by **Mr. Shani Nand**, expert from the Economic & Social Development Unit, Regional Cooperation Council



Within the EU Pre-Accession Assistance, around EUR 350 million of total aid assistance is foreseen for this type of cooperation on the Western Balkans and Turkey. Cross-border cooperation supports improvement of quality of life at local level, decreases differences among communities and in long-term strengthens regional development.

the main issue is good strategic planning, good project preparation and good administrative capacity to fully implement projects as is the case with all other types of assistance which our countries get from the EU and other international donors, The best investment for the future and the best way for planning ahead for many years to come is to invest in educating young generations and building human capital.

3

Challenges and perspectives of decentralization in SEE

3.1 Decentralisation in Albania: challenges and opportunities⁷

For the citizens of Albania, Europe has become an utmost priority of their aspirations, while at the same time it is an obligation as set out by the formal documents signed and are engaged fully to accomplish them. Albania as a full member of NATO, and as a potential candidate country to the European Union is especially interested in the freedom of movement as it should be a common solution for the region. The Albanian government considering local democracy as a key element of democracy is determined to keep high standards of economic development and good governance, to fight corruption without compromises, to widen the range of democratic governance and participation, transparent and efficient governance to further consolidate rule of law and to guarantee more sustainable services for the citizens.

It is less than two decades that Albania has been implementing the principle of local governance relying on the people elected at the direct local elections. Certainly, during this period of democratic development, the achievements and objectives have sometimes framed the main priorities. However, between 2005-2009, in many sectors the decreased gap between legislation adopted and law implementation has consolidated irreversibly the provision of public services for citizens

Albanian achievements in the frame of decentralization of local governance appear as the following:

- Reduction of taxes for small business
- Tripling the government funds within three years in favour of the local and regional funds
- The national program for local investments out of which benefit 100% of the local and regional units and has allowed disbursement at the level of 12 or 15 times of funds for investments in local units
- Installation of instruments for permanent institutional consultation like NCD and GED which mixes participation of relevant stakeholders contributing

in the process of decentralization and promotion of cooperation practices

- Creation of a working group for decentralization in cooperation with donors
- Transfer of fiscal authority like the one on small business tax collection as well as other taxes and simplification of the tax system in the republic of Albania increasing the fiscal authority of municipalities and communes
- Approval of legal and sublegal framework on local loans in compliance with requirements of European union
- Termination of transfer of the right on property for water supply enterprise and creation of inter communal enterprises keeping to the economy of scale
- About 800 000 hectares of forest surface and graze lands were transferred to local government units
- Transfer of construction police and construction inspectorate under the authority of local and regional competences
- Harmonization of dispositions of the European charter on local power in the law of spatial planning
- Inventorying of public properties and multiplication of the final transfer process on property

It was hard to believe when these priorities were identified in 2005, but now it has become evident that these were accomplished, thus opening up new perspectives to guarantee the realisation of the major priorities:

- Consolidation of local and administrative governance especially through introduction of new technology, administrative renovation and strengthening of human resources and capacities
- Implementation of cross border and inter communal cooperation for a better well being of the citizens, increase of services reduction of public services costs, etc.

⁷ Contribution by **Mr. Ferdinand Poni**, Vice Minister of Interior, Albania



- Consolidation of regional level thus continuing of transfer of competences government towards sub governmental level
- Simplification of services through elimination of unnecessary barriers, introduction of digitalization and computerization

The second program of Berisha government oriented at the transfer of knowhow, European integration and above mentioned priorities will be accomplished through other objectives easily measurable and open for everyone to give their input in implementation:

- Rule of law and creation of legal space for regulating all tiers of government administration;
- Continuation of strengthening of level 1 of government as the one closest to the citizens ;
- Searching for the most efficient and adequate formula for the regional sustainable development
- Preparation of local units in Albania to help enable a natural and quick integration of Albania into the European structures and funds
- Efficient exercising of the mandate
- Extension and consolidation of democracy and institutions
- Consolidation of the practice of consultation on and participation of local authorities in decision making
- Increase and widening the scope of inter municipal and inter regional cooperation practices, especially with countries in the region and wider in Europe;

Public debate and consultation has to be used in full transparency as instruments to apply highest standards of cooperation. The efforts and determination in achieving these goals represent not only government will but also local and regional authorities, experts and civil society for a warm climate of cooperation between local and central governance. This is an obligation to further contribute to make it more productive and persistent.

Yet the question is if we still need to go further in the path of democracy and local governance.

The strategy prepared in this last period can provide the answer for the identification of fields of intervention and short term, middle term and long term priorities. This in respect of the mandate of the elected in local elections.

Albania should step forward as related to:

- Better solutions and provision of uniform regarding sharing and exercising public obligations

- Better services for citizens especially in the field of infrastructure, water supply, waste management, treatment of sewage waters, technological renovation, electronic services etc.
- Consolidated administrative reform especially the regional one should consider efficiency in implementation
- A more consolidated administrative, juridical, financial, institutional, status for local governance in terms of European perspective
- A more consolidated scheme of relationship between central power and regional, local governance
- More opportunities for sustainable financial resources for the local government units
- More administrative capacities and more attention on local staff and local employees along with efficient structures which guarantee services for citizens
- A consolidated system of good governance in local level transparent governance, which seeks for transparency and real citizen participation, groups of interest and marginalized groups of the society.

It is a priority to make Albanian regions more responsible in implementation of projects with European Commission, to be more independent in choices they make, to have more independent financial resources and be more compatible with European realities. Their empowerment should come as a result of a process of competence transfer from central to regional and local level. Albanian citizens are the ambassadors of the Albanian Local Democracy, the ambassadors of Democracy and of the euro Atlantic democratic system. Sustainability of the local governance system gives a new generic dimension to democratic system. Local governance invites and gives a meaning to citizen participation. Albanian citizens want to live in a common European space and the government could contribute in the solidity and the speediness of the process.

3.2 Public participation in the realisation of local self-government in Georgia⁸

At present, the legal and institutional mechanism for the involvement of local society in the decision-making process as concerns local and regional development issues is poorly developed in Georgia. Partly, the main reasons for this is diminished public interest and activity.⁷

Frequently, the legislation does not stipulate the mechanisms and involvement of local agencies into the elaboration processes of regional development strategies and programmes.

The Organic Law on Local Self-Government obliged the state to adopt a law by 1 September 2006 which would define the forms of direct public participation in the realisation of local self-government but this law has hitherto not been adopted.

The Organic Law on Local Self-Government entitles citizens of Georgia to obtain public information from local self-government bodies and public officials, become acquainted with the draft decisions of local self-government bodies and participate in discussions, request publication and public discussion of draft decisions and communicate with local self-Government bodies and officials.

According to the Organic Law on Local Self-Government, communication with the local population is ensured by the state trustee - governor but there is no legal requirement for establishing consultative bodies which would encourage public participation in the decision-making process.

The Law envisages surveying public opinion on important local issues such as, for example, the decision to change municipal borders. The forms and mechanisms for making this procedure effective, and its objectives have not yet been spelled out in the law.

Subject to the regulation by the Ministry of Regional Development and Infrastructure, the Ministry's Regional

Development Department ensures the development of the social and economic development strategy of the regions whilst taking into account the peculiarities of the depressed high mountainous regions.

The Georgian Organic Law on Local Self-Government states that local self-government are responsible for the approval of the self-government's social and economical development priorities, municipal programmes and plans. Georgian legislation, therefore, refers to the development of local and regional development documents and shall provide the mechanism which would ensure the involvement of local communities in the development of the abovementioned strategy and programmes.

Regional development priorities were and still are defined by the ministries and state plenipotentiaries - governors based upon the information provided to the Government of Georgia. There is no effective legal mechanism, however, which would ensure the involvement and participation of the local self-governments in the elaboration of regional development programmes.

From 1997-2006, until the enactment of the Organic Law on Local Self-Government, self-government issues were stipulated by the Organic Law on Local Self-Government and Government. Upon the adoption of new law, however, a non-compliance between the organic law and the acting legislation has been observed.

The Organic Law on Local Self-Government abolished local government as a result of which issues that formerly fell under the competences of local government were left without a specific regulating subject which would accept the abovementioned state competences. The Organic Law on Local Self-Government stipulates exclusive authority of self-government bodies.

In particular, According to the Constitution of Georgia, "citizens of Georgia regulate issues of local importance through local self-governments without violating the state sovereignty;" that is, the Constitution links the issues of local importance (including local cultural monuments, libraries, museums, motorways, etc.) and considers them under the competence of the local self-

⁸ Mr Irakli Khakhidze, Deputy Head of Reforms and Innovations at the Ministry of Regional Development and Infrastructure, Georgia

government. According to the Organic Law on Local Self-Government, the voluntary authority of local self-government is defined as the competence of the local self-government to make decisions upon all of the issues which do not fall under a self-government's exclusive authority or the competence of a state administration body and is not prohibited for a self-government body.

Subject to the Organic Law on Local Self-Government, the local self-government is entitled to make decisions upon its independent initiative within the framework of Georgian legislation regarding the creation of social, cultural and education infrastructure and development solutions for such issues which, pursuant to the law, do not represent the exclusive authority of a self-Government body and are not prohibited for the self-government unit. This Article is in conflict with the principles stipulated in Article 4.2 of the European Charter of Local Self-Government subject to which local bodies of the government are fully empowered by the law to fulfil their initiatives in any fields that fall under their competences and do not represent the responsibility of any other governmental agency.

Taking into consideration the prevailing legal power of the international agreement, however, we can consider that the voluntary authority of the self-government unit in Georgia is not only limited to the building of a social, cultural and educational infrastructure and decision-making on development issues.

4

Case study of different countries on decentralization

4.1 Case Study: the experience of the Autonomous Province of Vojvodina (Serbia)⁹

According to many people, the Autonomous Province of Vojvodina, which is located in the north of the Republic of Serbia, represents a distinguished synonym within European circles for multiethnicity, multilingualism, multiculturalism and multiconfessionality. In fact there are approximately 30 national and ethnic groups living in Vojvodina and 6 languages in official use in the Assembly of the AP Vojvodina.

Values that the Government of Vojvodina has been committed to since 2000, after that democratic changes in Serbia have brought Vojvodina the title of the European region. Apart from fostering richness of diversity and indisputable dedication to coexistence of its citizens in the spirit of tolerance and mutual respect, the AP Vojvodina is equally proving its commitment to European values through a long-lasting devotion to achieving one of the critical conditions for accession to EU, that is to make our parent country more efficient through the process of decentralisation and regionalisation.

During the course of time the AP Vojvodina has become a synonym for such devotion, not only within the Republic of Serbia and beyond.

However, commitment of Vojvodina to application of the principle of decentralisation and regionalisation caused many malevolent interpretations within political and other circles, particularly during the last year, with predominant concerns that such processes will further destabilise the situation in the country and finally end with its disintegration. In that sense, current Government of Vojvodina is occasionally accused of separatism and unconstitutional action, while alleged evidence of such claims are found in the Proposal of the Statute of the AP Vojvodina.

Separatism is undoubtedly the most effective asset used as the "argument against", by supporters of centralism in Serbia, every time the issue of the reorganisation of the state is raised. That asset effectively influenced the

general public and turned all people against centralism into opponents as early as in the late 80s, when Slobodan Milošević, supported by his followers, tried to overturn the Constitution of that Yugoslavia by depriving Vojvodina and Kosovo and Metohija of their right to autonomous status. By enactment of the Constitution of the Republic of Serbia in 1990, both Provinces kept their autonomy only in their names, since constitutional theory, as well as practice proved complete denial of autonomy. Separatism as the argument was also used during the period of wars on the territories of Former Yugoslavia, waged during the past decade, and it is especially used today after the unilateral declaration of independence of Kosovo and Metohija. In the contemporary history of Vojvodina, its most prosperous period was from 1974 until 1990, when it had the highest level of autonomy with executive, legislative and judicial power, as well as original revenues and personal property. During that time, the AP Vojvodina was the most developed part of that Yugoslavia, together with Slovenia. After Slobodan Milošević came into power and enactment of the Constitution of Serbia from 1990, Vojvodina did not only lose its instruments it used to have, which enabled its progress and autonomy of actions, but the autonomous province as a term was deliberately degraded into its parody. Vojvodina Government of the 90s of the past century was characterised by the absence of any enthusiasm for transformation of the status of Vojvodina, which was reduced to the access to minimal funds, sufficient only to cover salaries of people employed in administration and limited number of competences.

Apart from that, Milošević's government enacted more than 70 laws during the 90s, which unconstitutionally restricted already minimal competencies of Vojvodina.

After the democratic changes in Serbia in 2000, two initiatives were launched in Vojvodina: the first pertained to the annulment of all unconstitutional laws restricting Vojvodina's autonomy, which brings us to 2002 when the National Assembly of Serbia adopted the Omnibus Law; the other initiative was the result of the fact that current political and social circumstances demanded beginning of the constitutional revision which would lead to finding

⁹ Contribution by **Mr. Branimir Mitrovic**, Vice-President of the Assembly of the Autonomous Province Vojvodina, Serbia



more adequate solution for the issue of the status of the AP Vojvodina. These objectives represent priorities for democratic government in Vojvodina.

The period after the "October revolution" in 2000, was marked by many different perceptions of the new constitutional system of Serbia expressed by individuals, non-governmental organisations and political parties. Most of the suggestions included the specific qualities of the AP Vojvodina and solutions for its future constitutional status generally corresponded to the European standards. Such solutions were even acceptable for political actors who did not look favourably on Vojvodina's autonomy in the past.

Without public debate and almost under a veil of great secrecy, the text of the new Constitution of Serbia was drawn up in autumn and after the two-day referendum, it was adopted on 8th November 2006 with consent by almost all parliamentary parties.

Despite the prevailing opinion that adoption of the Constitution brought incomparably better quality of status for the AP Vojvodina, in comparison with the Constitution of Serbia from 1990, the very solutions which regulate constitutional status of the AP Vojvodina have been the subject of heavy criticism, coming not only from certain political parties and non-governmental organisations, but international organisations and national experts, as well. Parties which opposed the proposed constitutional solutions, particularly those stipulating the status of Vojvodina, waged an intense anti-campaign which resulted in moderate support by citizens.

As far as constitutional proposals presented to the general public after 2000, two of them draw the most attention- Draft Constitution drawn up by experts of the Government of Serbia (2004) i.e. of the President of the Republic (2005).

As regards the constitutional status of Vojvodina, reaching the synthesis of two solutions of these two drafts, which were de facto supported by two most influential political parties of that time-namely the Democratic Party and Democratic Party of Serbia, proved to be the unjustified expectation. Mirjana Pajvančić PhD, one of our most eminent experts for constitutional law in Serbia, says: "These drafts showed more rational attitude towards Vojvodina than the new Constitution. The new Constitution is not the expression of a compromise, but of trading!"

After the adoption of the Constitution, the general public discovered the key details concerning negotiations held between leading parties of that period on "controversial"

proposals contained in this official document and one of the moot points was also the status of the AP Vojvodina. These details led to the unmistakable conclusion: political actors who had advocated the status of the AP Vojvodina in accordance with European standards, were forced to give up their demands for the purpose of achieving qualified parliamentary majority required for the adoption of the new Constitution.

One should point out that even in 2005, the Executive Council of the AP Vojvodina, representing the Provincial Government, adopted the Platform on the Status of the AP Vojvodina within the future Constitution of Serbia, which envisaged the minimal measure in the form of legislative, executive, partial judicial power of the AP Vojvodina, as well as its original revenues and the right to manage and control its own property.

Even three years after the adoption of the Constitution of Serbia, the Autonomous Province of Vojvodina is still in the process of final definition of its constitutional position. Until 31st December 2008, after the expiry of deadline for harmonisation of all laws with the new Constitution, with the exception of the Law on Territorial Organisation, none of the envisaged laws, which were supposed to embody provincial autonomy, has been adopted. The impression is that almost after a year, parties are still delaying entering into legislative procedure of the Proposal of the Statute of the AP Vojvodina with related Law on Establishing Competences of the AP Vojvodina, for opportunistic reasons.

Eventhough the AP Vojvodina submitted the Proposal of the Statute of the AP Vojvodina for confirmation within the deadline determined by the Constitutional Law, its nonconfirmation in the National Assembly forced the authorities of the AP Vojvodina to base their decisions on the unconstitutional Statute of the AP Vojvodina from 1991. Since entering of the Proposal of the Statute and related law into the parliamentary procedure of the National Assembly depends on the will of members of the leading coalition, which also raise their voices about unconstitutional provisions of the Proposal of the Statute, despite the fact that the Constitutional Court of Serbia is the only institution competent to decide on constitutionality and legality of laws, the AP Vojvodina has found itself in paradoxical situation: people who accuse it of the unconstitutional Proposal of the Statute are exactly the ones who encourage its status which is not in conformity with the Constitution.

On 14th October 2008, the Assembly of the AP Vojvodina adopted the proposal of the Statute of the AP Vojvodina with 89 votes out of the total number of 120 deputies and the next day it was submitted to the National

Assembly of Serbia for confirmation. Thereby, the Assembly of Vojvodina has fulfilled its duty imposed by the Constitutional Law, even though it has been done in the nick of time. The Constitutional Law (Article 10) stipulates that "the newly elected Assembly of the AP Vojvodina is obliged to submit the Proposal of the new Statute for confirmation to the National Assembly, before adoption, within 90 days from the day of its constituting". The Assembly of the AP Vojvodina was constituted on 16th July 2008, on the basis of the results of elections held on 11th and 25th May 2008".

More than a year has passed from establishing the Proposal of the Statute in the Assembly of the AP Vojvodina, but this act still has not been included in the agenda of the National Assembly, neither has the Proposal of the Law on Establishing Competences of the AP Vojvodina, without which it is not possible to operationalise provisions of the Statute.

Before the adoption of the Proposal of the Statute by the Assembly of the AP Vojvodina, a two-week public debate was organised on the territory of the AP Vojvodina, which certainly was not the case with enactment of the new Constitution. Apart from public meetings, it was possible to send remarks and suggestions by regular or electronic mail.

Tumultuous debate on solutions defined in the Proposal of the Statute became even more tumultuous after the adoption of the Proposal of the Statute in the Assembly of the AP Vojvodina. Critical remarks included a wide range of statements made by different entities from non-governmental institutions and political parties to the Serbian Academy of Arts and Sciences and Serbian Orthodox Church.

The predominant opinion in those critical remarks was that the Proposal of the Statute is contrary to the Constitution and laws, while some of the criticisms were also directed against the alleged attempts of the officials of the AP Vojvodina to prepare secession of the Province, by means of this act.

Some of the most controversial provisions of the Proposal of the Statute are: Preamble ("Vojvodina represents a unique cultural, civilisational, economic and geographic area of Central Europe") and existence of this Preamble itself, which in practice is only reserved for constitutions; the capital of the AP Vojvodina is Novi Sad (Article 10); the right of the AP Vojvodina to conclude international treaties in fields falling within its competences (Article 16); the AP Vojvodina may establish representative offices in European regions and Brussels ... (Article 16); existence of the Vojvodina Academy of Arts and Sciences (Article 17); enactment of Provincial Assembly decisions

having legal power on the territory of the AP Vojvodina in issues which, according to the Constitution, directly fall within the scope of competences of the AP Vojvodina or which are stipulated by the law as issues of Provincial importance (Article 19); possibility of establishing the Combined Standing Committee consisting of representatives of authorities of the Republic of Serbia and AP Vojvodina (Article 28); possibility of establishing the Development Bank (Article 29); establishing the National Communities Council (Article 40); renaming the Executive Council of the AP Vojvodina into the Government of the AP Vojvodina (Article 47) and so on.

One possible benefit from the fact that proposal of the Statute of Vojvodina has been the focus of public attention for almost a year could be that it seems that in Serbia, the issue of decentralisation and regionalisation has been raised in a more serious manner than before.

Supporters of decentralisation and regionalisation are very encouraged by words of the President of the Republic of Serbia, Boris Tadić, stating that "regionalisation is not a division of Serbia, but division of wealth and creation of opportunities for balanced development of underdeveloped parts of the country, as well as that contemporary European concept of decentralisation does not pose a threat to the integrity of countries, but on the contrary, contributes to their stability".

In the context of future regionalisation of the country, a possibility has been announced to embark upon necessary amending of the Constitution, in near future, even though certain number of experts believe that the possibility of creating new provinces is also stipulated by the existing Constitution.

Discussion has been initiated about the Statute of Vojvodina and Law on Regional Development, adopted last summer, which introduces statistical regionalisation and envisages forming seven statistical regions, and it has proved that the obsolete schools of thought and various dogmas still have their supporters.

It is important to emphasise that the legislator has envisaged the subsidiarity as a principle, apart from solidarity, partnership and some others, which refers to decentralisation in performing activities of preparation, implementation and monitoring of the programme for enhancing regional development at regional level (NUTS 2), provincial or district level (NUTS III), as well as the local level.

Therefore, what people from Vojvodina have insisted on for a long time is slowly, but certainly gaining supporters, even in other parts of the country.

Decentralisation and regionalisation are not taboo topics

any more. Even though the notion of subsidiarity is not exactly an adopted term, local communities throughout Serbia are increasingly pointing out that they could perform certain activities more efficiently than central authorities today.

The actual preparedness test for Serbia to take the road of decentralisation and regionalisation, will be the adoption of the Statute of Vojvodina. Nevertheless, this will only be a required, but not sufficient condition for accelerated process of decentralisation and regionalisation, in the interest of all citizens. This will require people to stop perceiving transfer of powers to lower levels of government as disempowerment of central authorities and creation of new regions as a certain way of disintegration of the country, but purely as distribution of responsibilities with wellbeing of citizens, economic development and efficient and modern country as ultimate goals.



4.2 Case study: the Macedonian decentralization process 2005-2009¹⁰

The Constitution adopted in 1991 provides the legal basis for local self-government as, according to article 8, it is a citizens' right. According to the Constitution, local government units are the municipalities (art. 114), and Skopje is a separate unit of local government; neighborhoods may be established by municipalities as a form of local self-government.

The citizens' right to self-government is exercised either directly or through elected representatives. Municipalities are financed from own sources determined by law and revenues transferred by central government; however, this financing hardly exists in practice. Local powers are subject to court revision, but any local authority is entitled to turn to the Constitutional Court to protect its own rights.

The Constitution of the Republic of Macedonia has two distinctive features regarding local government compared to other countries:

- first, a basic law on local government is provided and has to be passed by a two-thirds majority of deputies in the National Assembly,
- second, the substantive areas in which citizens participate in decision-making on matters of local importance.

It is quite unusual to set out the responsibilities of local government in the Constitution of a unitary state. As a result, changes – although they might be needed – are more difficult to bring about.

Other responsibilities may be determined by law. The new local government law of 2002 has extended the responsibilities of municipalities. According to the Constitution, municipalities perform their responsibilities independently, and are subject only to legality oversight. Central government tasks may be delegated by the Republic, but in this case a law is not required.

On the basis of constitutional provisions, an important legislative package was passed in 1995-1996, focusing on: *Local Self-Government; Territorial Division of the*

Republic of Macedonia and Determining the Territory of Municipalities; the City of Skopje; Local Elections (in 1996); and Law on Regulating the Relations between the New Units of Local Self-Government and the Units of Local Self-Government from which they Derive.

All communes plus Skopje city passed on the first stage of decentralization taking power from the central power in the following fields:

Urban planning:

- urban planning, conditions of construction, construction permissions, urban planning inspectors, construction inspectors, and the environment rangers in protection of the environment releasing ecologic permissions "B"
- Urban master plans out of date or in no plans at all for many of the communes and villages
- illegal buildings

Education:

- selection and nomination of headmasters in 9 year schools and high schools
- monitoring and approval of work reports and annual syllabus
- Policy on school needs and demands and transfer of property such as school buildings to communes
- involvement in reconstruction projects of school buildings in very wretched conditions

Life saving units and protection against fire:

- in very bad conditions, lack of necessary equipment and lack of human resources

Communal public enterprises:

- maintain water supplies, public hygiene, and public environment (streets, pavements, greening, and atmospheric sanitation, sewage waters)
- all accounts blocked and millions of Euros debts
- neglected infrastructure in regress as a result of low financial capacity in the communes.

¹⁰ Contribution by **Mr Fida Argetim**, Mayor of Debar, Macedonia

Financial management:

- inherited communes in overloaded debts (millions of Euros) blocked accounts
- gained the right of the commune to collect taxes from the Ministry of Finances such as: communal taxes on companies, tax on property, tax on sales and buying, tourist taxes etc.
- Mayors acting like managers of the communes
- Increase of the % in tax collection, increase of communal budgets
- good management in schools and reconstruction
- interruption and banning of illegal buildings and introduction of green parks
- Great investments in water supplies, sanitation, streets and greening

However, no local finance law has been passed other than some provisions in the *Law on Budgets of 1993 (the organic budget law)*. Numerous other laws regulating different functions were also passed during these years. The objective was to get closer to European standards, as expressed in the European Charter of Local Autonomy of the Council of Europe. The territorial reform of 1996, resulting in smaller municipalities, was also aimed at this objective.

Local government reform resumed with the *Strategy of Reform*, adopted by the government in November 1999. A working group undertook the preparation of a new law on local self-government, with the support of the association of municipalities (ZELS) in 2000; however, progress was interrupted by internal political disputes related to conflicts involving neighbouring countries. It was not until August 2001 that representatives of the main political parties signed a Framework Agreement in Ohrid on common political goals, including agreement on the development of local self-government. This agreement included a legislative programme and proposals for amendments to the Constitution.

A new local government law was thus adopted on 24 January 2002; other pieces of legislation, in particular the local finance law and the new territorial division law, were expected to be passed in 2003 or at the latest before the local elections of 2004. The new territorial division law is particularly important, since the IMF stated in its report of May 2002 that a new territorial division was a prerequisite for the finalisation of a new Law on Local Government Finance. Fiscal decentralisation cannot proceed prior to the adoption of a new territorial division law.

In the second Stage of decentralization:

- Only the communes that paid and managed to collect over 80% from communes demonstrated successful managerial capacities
 - dotacionet won to maintain schools and employees in education
 - revenues from property concessions used by the communes 40% (60% the state)
 - 3% VAT and TP (for all communes)
 - 80% added value over land property sale
 - tax on property even business property in the commune budget
 - military barracks - economic areas and development areas
 - the right to apply for IPA funds
 - the right to loan from the banks according to agreements made by the Ministry of Finances (commune capacity to pay off loans)
 - realized Budgeti for Dibër commune 2004 = 120.000 euro
 - realized budget for Diber Commune 2008 = 3.950.000 euro
- Participation in IPA funds -% in finance, LED contributes in:
 - increase of VAT from 3 to 6% in 3 years time
 - increase of TP from 3 to 30%
 - management of barren land (agricultural and construction land)
 - draft law on legalization of informal areas as well as amendments in the existing law on construction and space planning aiming at the decentralization of the procedure
 - commitment to meet challenges for further fiscal decentralization.

4.3 Case study: the National Association of Local Authorities of Georgia (NALAG) and decentralization process in Georgia

Decentralization requires a lot of efforts not only from the state but from the entire society. Experience of many countries clearly shows that decentralization is a long and complex process, where all players should possess clear strategies and strong political will. Decentralisation is a hard work for political leaders who should have excellent understanding of reality combined with the strong ability to look forward and make decisions oriented on a better future.

Georgia was the first country from south Caucasus which joined the Council of Europe in 1999 in this was a start of long journey in the democratic transformation accompanied by lots of challenges. The country faced occupation, military conflicts and geopolitical instability that made its journey slow and difficult, but it kept itself committed to the European choice. Georgia stands with strong heart in front of existential threats because for us “European Integration” is not just an ordinary term from a Political dictionary – but a choice. It’s clear to Georgia government that a strong local democracy is a big step toward integration into European family.

Georgia started its journey through decentralization not long time ago. Decentralisation is a bridge from a unitary state to a democratic society and this bridge, as all bridges, needs at least two pillars: a committed central government and a proactive local authorities. If the bridge lacks one of these critical pillars the result is not a bridge but a road to nowhere.

The political leadership, which came to the power after the Rose revolution demonstrated its commitment to the local democracy by immediate ratification of the European charter on Local Self-governance. It has to be highlighted that decentralization means sharing of power and it’s in human nature not to share it voluntarily, therefore potential recipients should demonstrate that they deserve the power they ask for. Thus, bridge of decentralization in Georgia lacked one critical pillar that was proactive and capital local authorities with one unified voice. To fill this gap 15 Georgian mayors in cooperation with the Council of Europe started negotiations with their colleagues on establishment of Local governments association to advocate local

interests and promote local self governance in Georgia. Consultations took more than one year and in December 2004 it has been organized the first National Congress of Local Authorities of Georgia. 900 delegates from all local government units attended the Congress and made decision to establish the National Association of Local Authorities of Georgia (NALAG).

With the support of COE and other donors NALAG became fully functional few months after its inception.

So in December 2004 it was possible to start a new towards decentralization including:

- Strengthening of NALAG as membership organization
- Promotion of decentralization
- Capacities building at local level
- Cross border cooperation in South Caucasus

The optimal balance between priorities and management of the limited resources gave its results.

In fact today NALAG stands as a unified national voice of Georgian municipalities and it is recognized by the organic law of Georgia on Local Self Governance. It has its own lobbying registered in Parliament of Georgia and it’s member of the state commission on Decentralisation chaired by the President of Georgia. Moreover NALAG signed a memorandum of cooperation with the ministry on regional development and infrastructure, which stipulates that any legal decisions which have effect on local government has to be consulted with NALAG. Similar memorandum is signed too with the respective committee in the Parliament of Georgia. The association nominates Georgian delegation to the Congress and it has cooperation with twinned association from Norway, Netherlands, Ukraine, Baltic States and Armenia. NALAG is a financially sustainable organization as 60% of its operational budget comes from membership fees.

The decentralization process and Promotion of decentralization and all the proposed objectives are not reached and time is needed to achieve them all. With regards to decentralization process in particular, NALAG was initiator and participant to the reform. Amalgamation



is a risky business but it was absolutely necessary for Georgia. As other post soviet countries small local authorities have been created just to get ticket for COE membership nevertheless all powers were concentrated not in the hands of elected local officials but in which of district administration, which was territorial unit of central government. Georgia is not a classical case of amalgamation, because the "Potiomkin villages" were just removed created for COE and converted in territory of district into local self-government unit. Now central government agencies should seek consensus with local authorities by using NALAG, political parties or other legal means. One could to argue that this must be a very long and difficult process, but this is a healthy political one, where local self-governments are fully respected and protected.

Using framework of the constitutional commission, NALAG recently participates in development of amendments to the constitution of Georgia. We envisage the introduction of a specific chapter on Local self governance in the constitution, this chapter will list competencies of local self government bodies and any local government unit will have right to appeal to the constitutional court if its discretion over these competences will be limited or restricted by any other level of public administration.

Georgia was the first country in South Caucasus, which elected the mayor of the capital city in 2006. Next steps will be done in this direction introducing direct election of mayors in all the cities of Georgia. This will provide proper legitimacy and public support to the municipal leadership. Georgia has to develop legal regulations for the regional administrations using principles of regional democracy and in this regards cooperation with COE has a critical importance.

About building capacities at local level in the last two years NALAG organized 170 training sessions for more than 2 thousand locally elected and appointed officials. Technical assistance has been provided on municipal planning to 15 municipalities. NALAG owns National Training strategy for local officials, which is adopted by our executive board and it cooperate with national government and international cooperation organizations for its implementation.

In the nearest future it is foreseen to cooperate with the parliament of Georgia for development of municipal service of code as well as to work with the ministry to establish an effective system of training for local officials.

Trans border cooperation is the innovative useful tool to support South Caucasus where the situation results extremely difficult. In cooperation with Armenian

counterparts the first Euroregion in Caucasus named "Euro Caucasus" has been established and it unites municipalities from both sides of the Armenian-georgian border.

The euroregion is managed by the council composed by 5 georgian and 5 armenian representatives with 2 secretariat in Georgia and Armenia and in future the developing of specific cross border cooperation projects which will be managed by the national secretariat is foreseen.

The way toward the decentralization are not yet completed but some important results have been reached showing the opportunities for future for Georgia on the way of decentralization.

ALDA: your partner in Europe. Local governance and citizen participation.

About ALDA

The Association of Local Democracy Agencies is a non-governmental organisation dedicated to the promotion of good governance and citizen participation at the local level. ALDA in particular focuses on activities that facilitate cooperation between local authorities and civil society.

ALDA was established in 1999 at the initiative of the Council of Europe's Congress of Local and Regional Authorities to coordinate and support a network of Local Democracy Agencies which was established in the early 1990s. The Local Democracy Agencies are self-sustainable, locally registered NGOs that act as promoters of good governance and local self-government.

ALDA is funded through membership fees and project funding from the European Commission, the Council of Europe and other public and private donors.

What is unique about ALDA?

Most of ALDA's work is based on the method of multilateral decentralised cooperation.

This method involves a multi-stakeholder approach which focuses on strong partnerships between Local Authorities and non-governmental organisations.

These partnerships create positive synergy and ensure that common goals are reached in a successful way.

What we do?

In the framework of promoting good governance and citizen participation at the local level ALDA focuses on various themes, such as European integration, decentralisation, civic initiatives and volunteering, human rights and sustainable economic development.

ALDA conducts its activities through different forms of action:

- Coordinating and supporting the 12 Local Democracy Agencies in their activities;
- Conducting its own projects in the field of good governance and citizen participation at the local level;
- Supporting other local stakeholders' initiatives – like Local Authorities – by providing expertise gained through ALDA's network and experience in the regions where ALDA and the Local Democracy Agencies are working.

Where we work?

ALDA works in most of Europe and the European neighbourhood countries. Activities in the European Union focus in particular on the promotion of Active European Citizenship.

Activities in the Western Balkans and European Neighbourhood focus on good governance, citizen participation, European integration and decentralisation.

Most of the Local Democracy Agencies are located in the Western Balkans, which gives a natural focus on that area. But ALDA is also becoming more and more active in the European neighbourhood. In 2006 a Local Democracy Agency was established in Kutaisi in Georgia and ALDA is currently working towards opening agencies in Armenia and Azerbaijan.

ALDA is also leading several other projects and developing partnerships in other European neighbourhood countries, such as Belarus, Algeria, Morocco, Tunisia and Turkey.

Please visit www.alda-europe.eu for more information about ALDA's work



ALDA's network

ALDA is a membership based organisation gathering more than 150 members (including Local Authorities, Associations of Local Authorities and non-governmental organisations) coming from more than 30 countries.

LDAs' host cities

- Shkodër - LDA Albania (AL)
- Prijedor - Lda Prijedor (BIH)
- Zavidovici - LDA Zavidovici (BIH)
- Mostar - LDA Mostar (BIH)
- Osijek - LDA Osijek (HR)
- Sisak - LDA Sisak (HR)
- Brtonigla - LDA Verteneglio/Brtonigla (HR)
- Kutaisi - LDA Georgia (GE)
- Peje/Pec – LDA Kosovo (KS)
- Niksic - LDA Montenegro (MNE)
- Nis - LDA Center South Serbia (SRB)
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