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The Civil Society Forum for Eastern Partnership is a permanent observer of the Corleap and takes part – since last year - in all the 4 official Platforms of the Partnership. In the meeting of 2011, we presented, as Subgroup on Local Government and Public Administration Reform of the CSF, an assessment of the situation in the EaP countries. This year, you'll find in your documents, a specific document **On the state of fiscal decentralisation in the EaP Countries**, drafted by the members of the Subgroup. We connected to it a specific proposal **on Fiscal Decentralisation** to be addressed to you, the Corleap members.

The State of Fiscal Decentralisation in the six countries highlights some good progresses but also some stagnation or even drawbacks – unfortunately - in some countries, like in Belarus and Azerbaijan. We are aware that Fiscal Decentralisation should be part of a vast and complex process of affirmation of Local Authorities, which have to be considered not only as subdivision of the State power but as

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more autonomous entities that could respond to the needs of citizens, at the local level.

The Assessment here provided is drafting **specific recommendations** country by country and with a related timeframe that could be certainly considered for policy making, together with the expertise provided also by the Corleap members. The role of civil society in supporting fiscal decentralisation is also mentioned **as a promoter of debate and awareness, collector of information and data, implementor of programmes and monitoring of the standards to be achieved, expertise and capacity building provider.**

We consider that, in particular, Fiscal Decentralisation could be oriented to :

- develop possibilities for local authorities to access the capitals' market
- strengthen competences to local authorities with consequent budget allocation
- identify possibility of local taxes
- identify possibility of services to be sold and technically provided by local authorities
- improvement of transfer system from the state budget to local budgets.

The Subgroup for Local Government and Public Administration Reform of the Civil Society Forum proposes to the CORLEAP to **launch a common initiative on a single strong priority, such is Fiscal Decentralisation**. Aware of the difficulty ahead of us, we propose to identify it as our common priority and strongly lobby for a flagship initiative or programme/project proposal, within the framework of the Eastern Partnership.

Fiscal decentralization remains a difficult and political target, which might be perceived as a long term objective. Some of the EU representatives within the CORLEAP may also think that Fiscal Decentralisation remains not completed within their own country yet. We consider then this possible joint project as an opportunity of working together, between EU and EaP countries.

Fiscal decentralisation is not only a technical endeavour. It is a substantial element for strengthening a real autonomy of local government and local democracy, which we consider essential for peace, sustainable development and prosperity of our communities.