



**Local Government and Public Administration Reform (LGPARG) Subgroup-
Working Group 1 – Democracy and Human Rights**

**Coordinator of the Subgroup, Antonella Valmorbidia, Secretary General of
ALDA – the European Association for Local Democracy¹**

1 ENP Par-NET meeting

Brussels, 1-2 March 2016 - DG Near

**Cooperation with Civil Society to promote Public Administration Reform in
the Neighborhood**

Objectives of the presentation :

1. To raise awareness and knowledge on the possibilities and importance of working together with civil society as key stakeholder to support Public Administration reform and decentralisation, in the Neighborhood.
2. To present the key points as for PAR from the point of view of CSOs
3. To present good practices of CSOs cooperating to support Public Administration Reform and Decentralisation

i. Context/importance of PAR in the Neighborhood. The role of Public Administration Reform and Decentralisation/strengthening local government in Neighborhood

PAR and Decentralisation represent a crucial and cross cutting elements among the objectives of the Neighborhood policy. It affects systemically the governance of the state, its functioning, its capacity to deliver service as well as its relationship with citizens. It is a fundamental bone of a well functioning democratic state. The European Neighborhood

¹ The elements on the EaP are provided by the Subgroup on LGPAR (see composition at the bottom of the document). The information on the Southern Neighborhood are brought by the examples of activities of ALDA- The European Association for Local Democracy.

Policy aims at engaging in a privileged relationship and at creating special conditions for a better and more efficient cooperation. ENPI represents an enhanced set of objectives for a progressive economic integration between the EU and the partners countries. It needs to create homogeneous ways of working that will make easier cooperating and living in proximity. The *Acquis Communautaire* of the Enlargement are here represented by key elements based on values and systems of governance. : transparency, accountability, effectiveness of policies, democratic representation and fight against corruption. Final beneficiaries are citizens and development of businesses for a global and fair/shared welfare.

ii. Why working with Civil Society in promoting Public Administration Reform

a) The reform of Public Administration is NOT an essentially legislative process but it regards cultural and systemic elements in the community. It is therefore essential to consider the existence/non existence of the relation between institutions and citizens. PAR and the legislation cannot be developed without considering a constant process of information, dialogue and exchanges with citizens that will **establish trust** from both sides that will then allow the laws/provisions to have a certain chance of being implemented.

b) The reform of the Public Administration and the processes of decentralisation address the organisation of powers, responsibilities and competences. The processes are participated by two essential parties: institutions and citizens. Both need to go through their own process of capacity building , training and development. If we implement training for local authorities (politicians and civil servants) the same should be done for citizens and CSOs. The **improvement should address both the part of the governance, institutions and civil society.**

c) These two components of the governance (CSOs&citizens and public institutions) can NOT have a development and improvement in parallel paths without never meeting and crossing each other. They have to be processes developing together and cooperating. Their developed capacities should be built together in a constant exchange and dialogue. It cannot be a target to have a *perfect* legislative system and then start working on citizenship and governance !

d) Participation of policy making (local and national) is not a process that goes only point by point, rule by rule, but should actually be an **"attitude" towards participative governance.** This attitude should frame the whole approach. Some very good and innovative way of participatory democracy comes actually from less democratic states with new ideas for matching a big divide between citizens and authorities.

e) Generally speaking, there is a global problem as for the recognition of the importance of laws and regulations _The legislative processes exist and sometimes can also be very good (i.e. the different legislative provisions existing in the Armenian law as for citizens participation) but the problem stays in its **implementation** and in the fact that,

culturally speaking, there is a gap between legislation and real perception and recognition of its value.

e) Why to focus on Neighborhood. The Neighborhood policy put the stick higher since it aims at building more homogenous systems with Europe in terms of value and governance (labour, public and private, governance).

iii. Common issues at stake and focuses highlighted by civil society in the Neighborhood

Seen from the point of view of civil society groups active in Public Administration Reform programmes several are the issues at stake.

a) Improvement of Civil Service: In all the countries addressed, civil service represents an issue at stake. The targets in this case are a) de-politicise the civil service b) create effective conditions of working c) create systemic efficiency and liaison with the political and administrative body d) reduce possibilities of corruption e) competences & capacities of civil servants to implement their work (See note 1 in annexe 2)

b) Decentralisation and strengthened competences of local governments, local democracy, fiscal decentralisation for a more efficient functioning of local governments. In all the countries addressed (in particular in the Eastern partnership countries), municipalities and local bodies are still extremely weak and cannot implement fully their expected competences. For most of them, there is only one source for funding from the transfer from the State. Some of the Local governments have hardly resources for a minimum functioning and they cannot represent a real centre of decision-making (See note 2 annexe 2)

c) Lack of participative approach

Legislation on citizens participation for policy making (including the element of Public Administrative reforms) differs country by country. Some are more advanced but they globally lack practices and implementation. The legal provisions miss space of dialogue and engagement with citizens and CSOs and the gap between institutions and civil society is big and needs to be overcome. (See note 1 in annexe 2)

d) Lack of transparency and corruption

Public institutions (national and local) are heavily affected by corruption, which is preventing a virtuous growth in democratic, social and economic terms. Public administration reform should address the problem of corruption, which is also cultural and systemic.

iv. Added value of civil society in Public Administration Reform

a) CSOs as key stakeholders of community: Public Administration Reforms should engage in a systemic change all the stakeholders of the community. PAR is a cross cutting process, with public and private actors. Civil society organisations represent key stakeholders of community development. CSOs can **mobilize general attention** and **public awareness/understanding** of the importance to have good governance and accountable and reliable institutions.

Case:

The Local Democracy Agency in Armenia is engaged in a set of simple and very accessible courses on local democracy and local governance in the high schools of Gyumri/Shirak region. The students learn the basic elements of local governance as provided by the European Charter on Local Self Government of the Council of Europe. 2

b) CSOs can inform and engage citizens in **collecting information** and **opinion** while the process of reform is on going and can help in **disseminating** and **helping in the implementation of legislative provisions**. They can naturally become partners of the PAR reform as a *go between* the institutions and the citizens.

Cases:

The project Vox in Box – Tunisia³ - has promoted dialogue with citizens in view of future elections and constitutional changes in Tunisia. It organised several workshops around the country, meeting citizens and exchanges information on the future challenges

***In Morocco, the Association REMESS, organises regional meetings and seminar on citizens' engagement/information and participatory process to policy making⁴. ***

***In Ukraine – the Local Democracy Agency in Dnepropetrovsk – is implementing a series of local seminars to explain to citizens the impact and rules of the territorial reforms in Ukraine. They **provide very direct and easy to get information** on important processes for*

² http://www.alda-europe.eu/newSite/lda_dett.php?id=13

³ http://www.alda-europe.eu/newSite/project_dett.php?ID=68

⁴ <http://www.remess.ma>, member of ALDA

the rest of the Country. The Oblast of Dnepropetrovsk is partnering with local civil society group⁵.

*** The Subgroup on Local Government and Public Administration Reform has produced a report on Fiscal decentralisation in the EaP (attached). ***

***In **Belarus**, the role of civil society is particularly important. It is organised mainly through the National Platform of the Civil Society Forum for Eastern Partnership. In this country, the human potential of local authorities is evidently non sufficient. Despite the difficulties, some cases, we have seen established CSOs specific expert councils. Independent group of citizens for facing specific problems solving at the local level have been established in particular linked to social and cultural activities, protection of environment, youth and health.. ***

c) CSOs working together with public institutions are able to work **at the cultural level** and they **build trust** thanks to a process of **awareness of shared problem solving**. By having direct contacts, elected representatives can meet and work with citizens and CSOs and engage on a dialogue, which will be beneficiary for all the communities.

Case:

*In **Georgia**, the Association of Municipalities of Georgia (NALAG) has developed a two years programme on Mobilizing citizens for local democracy. They have addressed and training of very local leaders to engage on a constructive dialogue with local authorities. Thousands of people have been trained by this project in Georgia by increasing substantially the understanding of the role of local authorities in Georgia*

c) CSOs can work on a **participative processes and attitude of elaboration of public policies**, both at the local level and at the national level. The added value of the participative processes is the possible identification of best solutions to give problems and the mediation of critical interests.

Cases:

*In **Armenia**, in the city of Dilijan has funded and supported some local initiatives proposed and in consultation with citizens. The process was participative and engaged the public institutions and local CSOs⁶.*

***The Subgroup on Local Government and PAR** of the CSF EaP has produced a report on Citizen Participation in EaP (2012) (attached) highlighting the different possible documents to refer to: the European Charter on Local Government of the Council of Europe and its additional protocol*

⁵ http://www.ald-europe.eu/newSite/lda_dett.php?id=14

⁶ From the Report on Citizens' participation in EaP from CSF EaP - subgroup PAR

on Citizens participation ⁷ and the Code on Good practices for Citizens participation of the Conference of the INGOs of the Council of Europe⁸.

In **Ukraine**, two important platforms of civil society were created to support these processes “the reanimation pack of reform” and the “New country”. The experts of these platforms have influenced the content of the reforms in the Parliament and governments. There is a quite effective commission of dialogue between the experts of CSOs and institutions. The National platform of the Civil Society Forum for Eastern Partnership is effectively included in this dialogue with institutions. Even the Public Service reform is among the good success of this cooperation. At the National Agency dealing with questions of civil service was created a Consultative Council where the CSOs were particularly active in identifying legislative steps. Now even the monitoring of this reform is composed of a group on CSOs representatives⁹.

d) Developing the process of **working together** for a **community approach to development**. A joint process in identifying solution (CSOs and public institutions, at the local and national level) creates the best conditions for addressing problems in such difficult conditions as we often meet in many of the countries the Neighborhood. The **awareness process** for citizens is improving the **sense of common responsibility for public affairs** and **open a dialogue with public institutions**

Case :

In Belarus, several regranting activities joining efforts between local institutions and CSOs have been initiated by the Lev Saphieh Foundation and its citizens' center and ALDA. The programme is supported by ALDA and the European Commission, project Tandem 2 (rehabilitation of a play ground for sport, cycling path for sustainable tourism, cultural heritage)

⁷ http://www.coe.int/t/congress/Texts/conventions/charte_autonomie_en.asp

⁸ <http://www.coe.int/en/web/ingo/civil-participation>

⁹ <http://reforms.in.ua/en/skorkardy>

iv. Recommendations for improvement of PAR and involvement of CSOs

From the Civil society point of view, it is proposed the following steps and priorities in order to increase the impact of our common work in promoting Public Administration Reform in the Neighborhood.

- a) To Increase support to **decentralisation** and strengthening of local authorities, local democracy, including **fiscal decentralisation**¹⁰. The legislation must provide norms defining the status of municipalities¹¹. They must be provided with sustainable financial sources so that they can carry out their responsibilities, and possibilities of the application of shared taxes system must be considered by making changes to the legislation
- b) To work on **capacity and awareness of both local authorities** (elected official and civil servants) **and civil society** on the role and importance of local governance and possibility to work together .
- c) To move for the ratification, alignment and implementation of the principles of the **European charter on Local Self government** and the use of the principles and instruments proposed by the **Code of Good practice for civil participation in decision making processes** of the Council of Europe.
- d) To focus on **Local democracy** understood as decentralisation of powers, competences and responsibilities, entailing elections at the local level as well as the development of the concept of the local community, accountability, transparency, cooperation between public stakeholders and civil society.

¹⁰ Specific points on Georgia- improving legal basis (Self-Governance Code of Georgia and Budget Code of Georgia) of fiscal decentralization in line to improve independence and budgetary resources of municipalities and reduce dominant position of central government in public finances allocated to the needs of municipalities;

- Specific point on Azerbaijan Legal barriers for the establishment of a single municipality in Baku city must be removed and a special law be adopted about "status of Baku city" to regulate the complex relations around the status of Baku city;
- Implementation of the second stage of the local public finance reform must lead to strengthening the fiscal base of the local public administration authorities. The implementation of the second stage of financial decentralization reform is a key element for the success of the whole decentralization process. Without concrete actions and real progress on this dimension, there is the risk of discreditation of the whole reform.
- Revision of the current system of public funds allocation for financing investment projects by establishing clear rules, increase transparency and involvement in the supervisory board the local governments and civil society representatives, based on parity criteria.

¹¹ Note from Moldova: Creating an appropriate institutional framework at the level of Government and Parliament, in order to ensure proper implementation of the reforms in public administration and decentralization domains. At Government level it would be a Deputy Premier for the reform of decentralization, regional development, strengthening local autonomy and public administration reform. At Parliament level, the Special Committee on decentralization and strengthening of local autonomy should be revitalized

- e) To focus and strengthening the capacity building for **associations of local authorities** and the network of **networks of civil society**, that working together has a broad national impact.
- f) Introduction of **systems of efficiency for public service delivery**, in cooperation with civil society organisations.
- g) To increased the **participation of civil society in the decision making process at the local and national level** with full implementation of the existing legislation and identification of more possibilities.
- h) To define the **spheres and/or direction or level of reform where the resources of local and international CSO's** will be used effectively.
- i) To **ensure inclusiveness of CSO's in the process of planning, implementation and monitoring of Public Administration reform and the Law on State Service**
- j) To develop and **implement effective mechanisms of permanent institutional dialogue** between Government, Parliament, the central authorities on the one hand, and representatives of local public administration, civil society, experts in the field, on the other hand.
- k) To focus and strengthen **common activities** (planning, elaborating processes and implementation) **between CSOs and public institutions**. Working together is probably the best way to develop an effective PAR.
- l) To Focus on **micro support for working together**. Regranting schemes could be a good opportunity to disseminate initiatives of cooperation and awareness raising throughout the country and being able to reach the remote provinces.

Annexe 1

Composition of the Subgroup LGPAR of the Civil Society Forum for Eastern Partnership

- ✓ Antonella Valmorbida_ ALDA, France, **coordinator of the Subgroup**, antonella.valmorbida@aldaintranet.org
- ✓ Uliana Poltavets _ **Laboratory, Kiev, Ukraine**, u.poltavets@laboratory.kiev.ua, kohut@laboratory.kiev.ua
- ✓ Davit Tumanyan **Community finances officers, Yerevan, Armenia**, dtumanyan2003@yahoo.com
- ✓ Serena Fusco, **CISP**, Italy (project in Armenia) , fusco@cisp-ngo.org
- ✓ Miroslav Kobasa_ **Lev Sapieha Foundation_ Belarus**, levsapieha@gmail.com
- ✓ Kuprii Volodymyr_CCC **CreativeCentre, Kiev, Ukraine**, volodymyr.kuprii@gmail.com
- ✓ Samir Aliyev_ **BINA Alliance _ Azerbaijan**, samir_aliyev@yahoo.com
- ✓ Eka Urushadze_ **CSR DG – Georgia**, eurushadze@gmail.com
- ✓ Veaceslavl Bulat , **Institute for Urban, Development Moldova**, office@idu-moldova.org

Annexe 2

(Note 1) In **Georgia**, the adopted the main documents for the reform of public management: Strategy of Public Management, Policy documents and action plans, and the Law on State Service. The active phase of implementation of reform in public service will start in 2017, but before that the state agencies and municipalities have to conduct serious preparatory work: study and analysis, adoption of regulations, training for servants. This is a serious challenge, because Georgia still has a lack of expertise, enough for the change of whole the system of Public Administration on the central and municipal levels.

In **Ukraine**, a fundamental law on reform of civil service has been passed in 2015. The main elements of this law are a) reduction of political influence in civil service b) the introduction and improvement of the system of concourse for public services c) introduction of external/civil society representatives in the concourse evaluation for some of the higher position of public administration d) introduction of annual evaluation of performances linked with salaries and bonuses. A discussion on the civil service in the municipalities is going on at the Parliament while the decision on the salaries of the higher positions of the states are not decided yet.

(note 2) In **Georgia**, an absolute majority of municipal finances is managed and are dominated by the Central Government: transfers to the municipalities (targeted, special, capital), budgetary fund for the projects to be implemented in the regions, reserve fund of Government and municipal development fund.

Without having strong, legally fixed guarantees of fiscal independence and clear regulations for transfers, possibilities for making political or other types of subjectively motivated decisions by the Central Government, still remain.

Very limited number of steps has been taken in favor of fiscal decentralisation in **Azerbaijan** recently. Given some changes that occurred at the level of legislation in Azerbaijan, there are four important amendments worth specifying here:

On June 20, 2014, the tax base of the physical entities' property was improved through changes made to the law on tax and municipalities.

On June 20, 2014, the criteria for unconditional financial aid (state transfer) were improved by making amendments to the law on "Budget System" of the Republic of Azerbaijan.]

On June 30, 2014, the mechanisms of the allocation of conditional financial aid were improved by making amendments to the law on municipalities.]A new amendment has been introduced to the law on "Local taxes and payments" for the purpose of improving transparency, and from 1st January, 2015, the municipalities are forbidden to collect local taxes and payments in cash.

In **Belarus** : The existent legislation in Belarus on local government matter is basically following the scheme left by the soviet period. The system is highly centralized and it has a

hierarchic character, both as it is conceptualized and in the sphere of funding, competences and control. The system of local authorities represent only a part of the state system.

the current system of local authorities differs from the provisions of the European charter of local self government in several ways :

- it does not respect the principles of subsidiarity
- it does not recognize the principle of community as source and subject of local government
- the local council do not have there own executive bodes
- there is a basic lack of funding and economic ground for existence for local governments
- There is not process of fiscal decentralisation

The forms of participation of citizens in decision making and control of the implementation of legislations at the local level are not finalized, substantially non existent

(note 3) As for **Ukraine**, the process of decentralisation is on going. The example taken into consideration the Polish one and it reaches some good results at the budget level. The local communities receives satisfactory level for development and the process for strengthening the local authorities themselves is on going with the objective to increase their capacities. Further steps for decentralization are currently suspended because of lack of political will and it makes the global approach fragmented.

As for Azerbaijan, some are the issues particularly highlighted since fundamental improvements have not been done

- the parallelism in the local self-governance system, which according to the Constitution is carried out by both local executive committees, which are state bodies, and municipalities which only have a very limited role;
- the subordination, in practice, of municipalities to local executive committees which are part of the state administration;
-]the imprecise division of competences and responsibilities between municipalities and local executive committees;
- the weak financial potential of municipalities due to low-level state transfers provided to them and the ineffectiveness of the tax collection mechanisms available to municipalities;
- the lack of a procedure for consultation with municipalities and national associations of municipalities, in due time and in an appropriate way, in planning and decision-making for all matters which concern them directly;
- the lack of clarity of the Law on the Status of Municipalities, regarding the procedure of supervision of municipalities, and notably the local governments' obligation provided by Article 146-IV of the Constitution, to report to the Parliament about their own operations;

In Moldova : After a period of 2-3 years (2010-2013) when were promoted and carried out some reforms in the public administration and decentralization area, starting with 2015, due to political and financial causes in the financial banking system, we could attest a

cessation for an indefinitely period and a total blocking of any reforms in this domain. Political instability, the mysterious disappearance of billions from the banking system, the power struggle of different oligarchic groups have conditioned the suspension or reversal of reforms in this area. Despite the efforts made in recent years, the domain of public administration reform, decentralization and local democracy, together with domains of justice and fight against corruption, have major shortcomings in reforms implementation, being in the focus of the Council of Europe and other development partners of the Republic of Moldova.

At the level of policy makers in Parliament and Government (old and new governors) but also at the level of local authorities and civil society exist awareness that public administration reform, decentralization and strengthening of local autonomy may constitute one of the real, effective and fundamental tools of the modernization of the Republic Moldova. Experience of the Republic of Moldova in this field, demonstrates that a highly centralized political, administrative and financial system represents one of the main sources and causes of the major problems faced by Moldovan Society today: corruption, poverty, injustice etc. When the entire decision-making process and resources in the state are concentrated in the hands of a narrow groups of people / institutions, instability, corruption, inefficiency, and injustice are at their home.

All strategic objectives, operational objectives, directions, programs and actions to be undertaken in this area are clearly determined and officially approved by the National Decentralization Strategy and its Action plan; by the EU Association Agreement and Action Plan for the implementation of this Agreement; by the new Government Program; by the dozens of ministerial documents, sectoral strategies and action plans for public administration reform and decentralization. However effective implementation of reform is suspended and without any headway.

¹ <http://reforms.in.ua/en/skorkardy>