

Committee on the Honouring of Obligations and Commitments by Member States of the European Charter of Local Self-Government (Monitoring Committee)

Original: English

CG/MON15(2019)04
Restricted
5 February 2020

Monitoring of the European Charter of Local Self-Government in Armenia

Rapporteurs:¹ Bryony RUDKIN, United Kingdom (L, SOC/G/PD)
Gunn Marit HELGESEN, Norway (R, EPP/CCE)

Preliminary draft recommendation.....	2
Draft explanatory memorandum.....	5

1 L: Chamber of Local Authorities/R: Chamber of Regions
EPP/CCE: European People's Party Group in the Congress
ILDG: Independent Liberal and Democratic Group
SOC/G/PD: Group of Socialists, Greens and Progressive Democrats
ECR: European Conservatives and Reformists Group;
NR: Members not belonging to a political group of the Congress

PRELIMINARY DRAFT RECOMMENDATION

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:
 - a. Article 2, paragraph 1.b, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1, stipulating that one of the aims of the Congress is “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;
 - b. Article 1, paragraph 2, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1, stipulating that “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure the effective implementation of the principles of the European Charter of Local Self-Government”;
 - c. Chapter XVII of the Rules and Procedures of the Congress on the organisation of monitoring procedures;
 - d. Sustainable Development Goals (SDG) of the United Nations 2030 Agenda for Sustainable Development, in particular Goal 11 on sustainable cities and communities and Goal 16 on peace, justice and strong institutions;
 - e. Guidelines for civil participation in political decision making, adopted by the Committee of Ministers on 27 September 2017;
 - f. Recommendation CM/Rec(2018)4 of the Committee of Ministers to member States on the participation of citizens in local public life, adopted on 21 March 2018;
 - g. Recommendation CM/Rec(2019)3 of the Committee of Ministers to member States on supervision of local authorities’ activities, adopted on 4 April 2019;
 - h. Congress recommendation 351 (2014) on local democracy in Armenia and the 2016 Post-monitoring Road map (CG/MON/2015(295));
 - i. the explanatory memorandum on the monitoring of the European Charter of Local Self-Government in Armenia.
2. The Congress points out that:
 - a. Armenia signed the European Charter of Local Self-Government (ETS No. 122, hereinafter “the Charter”) on 11 May 2001 and ratified it on 25 January 2002, with entry into force on 1 May 2002;
 - b. the Committee on the Honouring of Obligations and Commitments by Member States of the European Charter of Local Self-Government (hereinafter referred to as Monitoring Committee) decided to examine the situation of local democracy in Armenia. It instructed Bryony Rudkin, United Kingdom (L, SOC) and Gunn Marit Helgesen, Norway (R, EPP/CCE), with the task of preparing and submitting to the Congress a report on the monitoring of the European Charter of Local Self-Government in Armenia. The delegation was assisted by Professor Zoltán Szente, member of the Group of Independent Experts on the European Charter of Local Self-Government, and the Congress Secretariat;
 - c. the monitoring visit took place from 12 to 15 May 2019. During the visit, the Congress delegation met the representatives of various institutions at all levels of government. The detailed programme of the visit is appended to this report;
 - d. the co-rapporteurs wish to thank the Permanent Representation of Armenia to the Council of Europe and all those whom they met during the visit.
3. The Congress notes with satisfaction that:
 - a. since the last monitoring report, Armenia has ratified all the articles of the Charter and is bound today by all the Charter’s provisions;

b. despite the slowing down of the territorial reform due to recent political changes, the consolidation of communities through the mergers has been relaunched and new legislative initiatives have been prepared by the government in areas such as local referendums, public hearings and financial assistance to municipalities.

4. The Congress notes however that several points raised in the previous monitoring report and the Road map for Armenia remain valid and expresses its concerns in particular about the following issues:

a. the powers and duties of the municipalities have not been extended to allow them to regulate and manage a substantial share of public affairs under their own responsibility (Article 3.1);

b. the municipalities have a limited role in delivering public services, counter to the principle of subsidiarity (Article 4.3), and a number of local government powers are not full and exclusive (Article 4.4);

c. there is no legally guaranteed consultation procedure between the central government and municipalities or their national associations (Article 4.6); local authorities are not involved in an appropriate manner in the decision-making process concerning their finances (Article 9.6) and local communities are not consulted on the changes to their boundaries (Article 5);

d. poor work conditions for municipal employees exist in a number of local government offices (Article 6.2);

e. the administrative supervision is not limited to the legal control of local government decisions, and various state authorities have overlapping supervisory activities over municipalities (Article 8.2);

f. the level of financial autonomy of local authorities is low and in particular smaller communities lack adequate financial resources of their own to carry out their tasks (Article 9.1);

g. local authorities are not provided with the adequate and concomitant funding to exercise the delegated tasks (Article 9.2);

h. the financial equalisation system does not ensure in practice the effective reduction of the financial disparities between communities (Article 9.5);

i. municipalities receive only a small amount of central grants allocated as lump sums (in a non-earmarked way) to finance their investments (Article 9.7).

5. In light of the foregoing, the Congress requests that the Committee of Ministers invite the Armenian authorities to:

a. ensure that the consolidation of the municipal system through amalgamations of smaller communities is accompanied by the allocation of new tasks and additional resources;

b. increase the share of public affairs managed by local authorities under their own responsibility through decentralisation of competences, in line with the principle of subsidiarity;

c. guarantee in law the right of local authorities to be consulted on matters that concern them directly, in particular on the changes to the local authority boundaries and on the allocation of financial resources, and ensure that consultation is held regularly and in an appropriate manner in practice;

d. improve the working conditions of municipal employees;

e. revise and clarify "own" competences of municipalities and limit the state supervision of their own tasks to the legality control;

f. ensure that local authorities have access to adequate financial resources of their own, given different local governments' own revenue-generating capacity, which should also allow them to cover municipal capital expenditures;

g. accompany the delegation of the tasks from central to local level with adequate concomitant financial resources;

h. make sure that in practice the financial equalisation system compensates the regional discrepancies and different financial capacities of the municipalities;

i. review the calculation methods of central grants to adjust them to the real costs of the fulfilment of mandatory tasks and functions, taking into account the legitimate differences in the various municipalities, and increase the share of non-earmarked or block grants at the expense of the specific grants.

6. The Congress calls on the Committee of Ministers and the Parliamentary Assembly of the Council of Europe to take account of this recommendation on the monitoring of the European Charter of Local Self-Government in Armenia and the accompanying explanatory memorandum in their activities relating to this member State.

DRAFT