



**OSCE Human Dimension Implementation Conference**

**Warsaw, 30 September to 8 October 2010**

**Working Session 1: Democratic Institutions**

**Contribution of the Council of Europe**

**Local and Regional Democracy**

Local and, where established, regional democracy is one of the building blocks of democracy in Council of Europe's member States. It is built on the principles of the European Charter of Local Self-Government, citizen participation in public life at local level (whose main tenets are now embedded in the draft additional protocol to the ECLSG) and good democratic governance at local and regional level.

Proclaiming these principles however is not enough. The establishment and functioning of effective local and regional self-government is more a continuous process than a state of affairs. In all member States, local and, where it exists, regional self-government is constantly evolving to meet the new challenges that public authorities are confronted with, be they social, economic, demographic or cultural.

The Council of Europe promotes the co-operation between its member states on issues of local and regional democracy, on the basis of the decisions taken at the Warsaw Summit of Heads of State and Government (May 2005) and in order to implement the Agenda for delivering good local and regional governance adopted by the European ministers responsible for local and regional government in 2009 in Utrecht at the 16<sup>th</sup> session of their conference.

I. **The intergovernmental co-operation** takes place within the European committee on local and regional democracy (CDLR) whose brief is to deal with the issues identified by the ministers at Utrecht, which cover the following fields: the institutional framework of local and regional government, local and regional authorities' resources and public services at local and regional level, citizen participation and public ethics at local level, crossborder and interterritorial co-operation between local authorities or communities. The purpose of the co-operation is to identify major challenges and issues, identify action that could be taken at European level in order to consolidate the European acquis (through

new conventions, recommendations to member states, policy guidelines, comparative reports), to promote the use of it, and to review critically its implementation, with a view to its being updated or supplemented as the case may be.

In the years 2008-2009, the intergovernmental work of the Council of Europe has led to the adoption by the Committee of Ministers of one recommendation<sup>1</sup> and two conventions<sup>2</sup> and the publication of seven major reports<sup>3</sup>. In 2010, the work has focussed on the consequences of the economic downturn on local governments and the responses to recession. A conference aimed at analysing policies adopted and their impact was held in Strasbourg on 11-12 October 2010. Its findings will contribute to the preparation of the debate to be held on the same topic at the next session of the ministerial conference, in November 2011 in Kyiv (Ukraine).

II. In addition to constantly improving its *acquis* in the field of local and regional democracy in order to meet the challenges its member States face, **the Council of Europe provides assistance in the design and proper implementation of legislation and policy for local and regional government reforms**. Given its accumulated experience and know-how, the focus of the activities in the field of local and regional government is on:

- local/regional government structures, their powers and their operation;
- local finance, fiscal decentralisation and municipal property;

Strategic policy-making, intergovernmental relationships and institutional dialogue are cross-cutting issues.

So far, the geographical focus of the activities, in line with the guidelines adopted by the Committee of Ministers, is on South-Eastern Europe and the Southern Caucasus.

The Council of Europe attaches great importance to the establishment of effective synergetic partnerships with other international Organisations and other institutions that are active in member states and pursue objectives similar to those of the Council of Europe. In the field of local and regional democracy, the Organisation for Security and Co-operation in Europe (OSCE) is a major partner and the Council of Europe has concluded a

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<sup>1</sup> Recommendation CM/Rec(2009)2 of the Committee of Ministers to member States on the evaluation, auditing and monitoring of participation and participation policies at local and regional level (11 March 2009).

<sup>2</sup> Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (16 November 2009); Protocol No 3 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euro-regional Co-operation Groupings (16 November 2009).

<sup>3</sup> On: Recent developments in regional self-government in member states; The relationship between central and local authorities; Intermunicipal co-operation; Local authority competence; The funding of new responsibilities of local authorities; The degree of conformity of member states' policies with Council of Europe standards for local finances; Good practice in the relationship between local/regional authorities and the private sector ("public-private partnerships").

co-operation agreement with the OSCE - Democratization Department/Office for Democratic Institutions and Human Rights (ODIHR).

Within this framework, the two Organisations have joined efforts to encourage and support the implementation of the so-called “Zagreb-Skopje process”, i.e. the promotion of sound and democratic decentralisation in SEE countries, initiated originally in the framework of the Stability Pact for South Eastern Europe.

Since 2006, a annual co-ordination meeting is organised with the ODIHR and the OSCE field missions in South-Eastern Europe, to assess ongoing co-operation, exchange information on the respective country projects, discuss emerging issues and spot priorities for joint action.

The annual 2009 meeting focused on action undertaken and scope for further initiatives in the field of public ethics at local level. As a consequence, a regional conference jointly organised by the OSCE Mission to Montenegro and the Council of Europe was held on 3-4 June 2010 in Budva (Montenegro). The participants – which included ministers and secretaries of state from the countries of the region – adopted conclusions aiming at further strengthening action at domestic level and regional co-operation with a view to strengthening the capacities of both central and local government to promote ethical conduct and fight corruption.

III. Another priority concern of the Council of Europe is the **reinforcement of the capacities of local self-government** to provide quality services to their inhabitants and more generally, to be managed in a way that is effective, transparent, and democratic. Through its Centre of Expertise for Local Government, the Council of Europe puts at the disposal of local authorities a set of tools (from “national training strategies” for local authorities’ staff to training programmes on local finance, public ethics, performance management, etc. as well as “best practice” initiatives) that facilitate the implementation, at local level of (elements of) the instruments and acquis prepared by the Organisation.

Inter-municipal co-operation has been the subject of an International conference jointly organised by the Council of Europe and the Regional Centre for Europe and CIS of the United Nations Development Programme on 23-24 September 2010 in Dubrovnik (Croatia). The Office of the OSCE Co-ordinator for Economic and Environmental Activities and Local Government and Public sector Reform Initiative (LGI) of Open Society have supported and taken part in the conference. The event was aimed at introducing and disseminating the “tools” for promoting intermunicipal co-operation jointly developed by the Council of Europe and UNDP. It will be followed by promotional and implementing initiatives at country level.

IV. Through its **Strategy for Innovation and Good Governance at Local Level**, endorsed by the Ministers in 2007 in Valencia and adopted by the Committee of Ministers in 2008, the Council of Europe promotes the adoption by local authorities across Europe, of the “twelve principles of good democratic governance” (see Appendix). Local authorities are encouraged, with the support of central/regional government and, if requested, the

assistance of the Council of Europe, to commit themselves publicly to respecting the “twelve principles”, in order to secure their citizens good governance at local level.

The implementation of the Strategy is based on the assessment of the situation in respect of the twelve principles, the identification of possible changes to be made and measures to be adopted, the establishment of a partnership between central (regional) authorities and local authorities (their associations) with a view to promoting the implementation of the “right” policies at both central (regional) and local levels.

The Strategy has been adopted and is being implemented (country-wide or region-wide) in such states as Norway, Belgium, Bulgaria, Italy, the Netherlands and Ukraine. Austria, France, Hungary, Slovakia and Spain have shown interest for it or taken preparatory steps towards its adoption (testing of the tools, awareness raising action at local authorities’ level, etc.).

As part of the Strategy, a European Label of Governance Excellence (ELoGE) will be awarded as from 2011 to the municipalities implementing the “Twelve principles” on the basis of the criteria adopted by the Council of Europe Stakeholders’ Platform.

So far, the Council of Europe has provided direct advice to individual states (or regions) so requesting. Its assistance and co-operation programmes as well as the Centre of Expertise for Local Government Reform are at the disposal of the states (and regions) with a view to delivering the legislative assistance, the exchange of information and practice and the provision of capacity-building programmes that suit their needs.