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## Local democracy in Armenia

Monitoring Committee

Rapporteur: <sup>1</sup> Nigel MERMAGEN, <sup>2</sup> United Kingdom (L, ILDG)

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### *Summary*

This is the second report on the state of local democracy in Armenia. It underlines the efforts made to implement the provisions of the Charter, in particular constitutional changes in 2005 and the passage of a new law in 2008. Progress has also been made concerning the legal status of municipal officials. The rapporteurs welcome the ratification of the Additional Protocol to the Charter on the right to participate in the affairs of a local authority and the passage of legislation to strengthen citizen participation. The report does, however, refer to various points of concern. Most local services are managed by the state and municipalities have limited service delivery capacity, mainly because of their small size. Moreover, local authorities play a limited role because powers are poorly delimited, they do not have full and exclusive powers and there is no formal mechanism for consultation with central government. The report highlights that financial and economic matters are supervised by the state, local authorities have limited own resources, there are no real local taxes and the implementation of the financial equalisation mechanism needs to be reviewed.

It is recommended that the Armenian authorities review the legislation for implementing the principle of subsidiarity. The Armenian authorities are urged to foster inter-municipal co-operation and increase the capacity of community councils. It is also recommended that they define and ensure the exercise of full and exclusive powers for local authorities. They are further urged to set up a formal consultation mechanism, limit administrative supervision to reviews of the legality of local authorities' action and increase local authorities' own resources. Lastly, it is recommended that the efficiency of the tax mechanism in municipalities be improved and the financial equalisation mechanism be reviewed so that the calculation criteria take closer account of the actual economic situation faced by local authorities and, in particular, that national associations of local authorities are involved in the calculation procedures.

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1. L: Chamber of Local Authorities / R: Chamber of Regions  
EPP/CCE: European People's Party Group in the Congress  
SOC: Socialist Group  
ILDG: Independent Liberal and Democratic Group  
ECR: European Conservatives and Reformists Group  
NR: Members not belonging to a political group of the Congress

2. By letter of 10 February 2014, Ms Ludmila SFIRLOAGA, Romania (R, SOC), rapporteur on regional democracy in Armenia, informed the Chair of the Monitoring Committee that she was standing down as rapporteur, due to health problems which occurred during the monitoring exercise in Armenia.

## Local democracy in Armenia

### RECOMMENDATION 351 (2014)<sup>3</sup>

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

a. Article 2, paragraph 1.b of Statutory Resolution CM/Res (2011)2 of the Committee of Ministers of the Council of Europe on the Congress of Local and Regional Authorities, which provides 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 2, paragraph 3 of the aforementioned Resolution CM/Res (2011)2, 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, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

c. Resolution 307 (2010) REV2 on procedures for monitoring the obligations and commitments entered into by the Council of Europe member States in respect of their ratification of the European Charter of Local Self-Government (ETS No. 122; hereafter “the Charter”);

d. Recommendation 140 (2003) and Resolution 167 (2003) on local democracy in Armenia adopted by the Congress in November 2003;

e. the explanatory memorandum to the recommendation on local democracy in Armenia.

2. The Congress recalls that Armenia signed the European Charter of Local Self-Government (hereinafter “the Charter”) on 11 May 2001 and ratified it on 25 January 2002; it entered into force in respect of Armenia on 1 May 2002. Armenia stated that it does not consider itself bound by Articles 5, 6, 7(2) and 10(3) of the Charter.

3. It notes that:

a. the Monitoring Committee instructed Nigel MERMAGEN (United Kingdom, L, ILDG), rapporteur on local democracy,<sup>4</sup> to prepare and submit to the Congress, the report on local democracy in Armenia;

b. The monitoring visit to Armenia took place from 26 to 28 November 2013 in Yerevan, Ashtarak and Oshakan.

4. The Congress wishes to thank the Permanent Representation of Armenia to the Council of Europe and the Armenian authorities at central and local levels, representatives of Armenian NGOs working in the field of development of municipalities as well as other interlocutors for their valuable cooperation at different stages of the monitoring procedure and the information conveyed to the delegation.

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3. Debated and approved by the Chamber of Local Authorities on 26 March 2014, and adopted by the Congress on 27 March 2014, 3<sup>rd</sup> sitting (see Document CPL(26)2FINAL, explanatory memorandum), rapporteur: Nigel MERMAGEN, United Kingdom (L, ILDG).

4. By letter of 10 February 2014, Ms Ludmila SFIRLOAGA, Romania (R, SOC), rapporteur on regional democracy in Armenia, informed the Chair of the Monitoring Committee that she was standing down as rapporteur, due to health problems which occurred during the monitoring exercise in Armenia.

In their work, the rapporteurs were assisted by Professor Zoltán SZENTE, consultant, member of the Group of Independent Experts on the European Charter of Local Self-Government, Ms Stéphanie POIREL, secretary to the Congress Monitoring Committee, and Ms Jane DUTTON-EARLY, co-secretary to the Monitoring Committee.

5. The Congress notes with satisfaction that:

a. Armenia has made significant efforts to implement the provisions of the Charter, starting with important constitutional changes in 2005 and following up with the adoption of the new law on Local Self-Government of Yerevan in 2008;

b. progress has been made in clarifying the legal status of municipal servants and in organising vocational training for them;

c. Armenia ratified the Additional Protocol to the Charter on the right to participate in the affairs of a local authority (CETS No. 207) on 13 May 2013 with entry into force on 1 September 2013 and that new legislation was adopted immediately after with the aim of strengthening citizens' participation in local government;

d. the Council of Europe project "Support to the consolidation of local democracy in Armenia", in which the Congress of Local and Regional Authorities is also involved, was launched February 2014 with the support of the Danish Government.

6. The Congress draws attention however to the following points of concern:

a. local authorities take part in service delivery only to a limited extent and they do not regulate and manage "a substantial share of public affairs under their own responsibility" (Article 3.1 of the Charter);

b. the existence of numerous small and weak municipalities continues to be a structural problem, creating imbalance between local authorities and limiting the service delivery capacity of municipalities;

c. the weak capacity of community councils in the exercise of their initiatives with regard to all matters relating to their competences (Article 4.2 of the Charter);

d. local authorities play a very limited role and in practice do not have always full and exclusive powers, with local government bodies serving more as agents for the central government, than as autonomous actors of local public administration (Article 4.4 of the Charter);

e. the own tasks and delegated powers of local authorities while defined in law are not applied in practice (Article 4.5 of the Charter);

f. the absence of a formal mechanism of consultation between central government and local authorities on decision making process relating to all matters which concern them directly (Article 4.6 of the Charter);

g. the supervisory powers of central government extend not only to a review of the legality of the local community's action, but also to the economic and financial aspects of local government matters, in contradiction to the Charter provisions (Article 8.2 of the Charter);

h. local communities have limited own resources (Article 9.1 of the Charter);

i. local authorities cannot impose real local taxes or determine the rate within reasonable limits set by law (Article 9.3 of the Charter);

j. the financial equalisation mechanisms are not appropriate as regards the fiscal capacities and financial needs of communities (Article 9.5 of the Charter) and the other state transfers on allocation of grants are not regulated by any law (Article 9.7 of the Charter).

7. In the light of this, the Congress recommends that the Armenian authorities:

a. review the legislation in order to better implement the principle of subsidiarity and to allow the local authorities to regulate and manage a substantial share of public affairs under their own responsibility and in the interest of the local population;

b. improve and strengthen territorial governance in order to make it more effective through, for instance, inter-municipal co-operation or mergers of small communities and to mitigate the over-centralisation of public administration;

c. increase the capacity (legally and in practice) of the community councils with regard to all matters related to their competences, in order to increase the efficient administrative capacity of local communities and strengthen their role and importance in relation to the chief executives;

d. ensure that local authorities enjoy full and exclusive powers, as autonomous actors of local public administration, and do not have these powers undermined by the central authorities;

e. clarify the administrative nature of the various tasks and functions that fall within the scope of local government, particularly as regards whether they are mandatory or delegated powers, and strengthen the position of local authorities by leaving the management of important local matters to the discretion of local authorities;

f. set up a formal consultation mechanism in domestic law, to ensure that local authorities and national associations of local authorities are duly consulted on matters which concern them directly "in due time and in an appropriate way", and that central government decisions are accessible to local elected representatives and their associations, which should be considered in practice as privileged and active partners;

g. ensure that the administrative supervision of local authorities is limited to a review of the legality of the local community's action, and that the controlling authority's intervention is kept in proportion to the importance of the interests which it is intended to protect;

h. increase the "own" financial resources of local authorities as required above (see 7. a and c);

i. improve the efficiency of the tax mechanism in municipalities, by allowing them the right to determine the rate within reasonable limits set by law in order to strengthen their autonomy;

j. review the financial equalisation mechanism to implement it in a more appropriate way, and develop measures for the allocation of equalisation grants on the basis of fiscal capacities and financial needs of communities, in order to correct the effects of the unequal distribution of potential sources of finance, in accordance with Article 9.5 of the Charter;

k. review the relevance of the declarations made by Armenia on Articles 5, 6, 7 para. 2, and 10 para 3 of the Charter at the time of deposit of this instrument in the light of the recent developments which occurred in Armenia in this respect;

l. take into account the present recommendation in the implementation of the Council of Europe project "Support to the consolidation of local democracy in Armenia".

8. The Congress invites the Committee of Ministers of the Council of Europe to take account of the present recommendation on local democracy in Armenia, as well as its explanatory memorandum, in its own monitoring procedures and other activities relevant to this member State.

# Local democracy in Armenia

## EXPLANATORY MEMORANDUM

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## INTRODUCTION

1. In accordance with Article 2, paragraph 3 of Statutory Resolution (2011)2 of the Committee of Ministers of the Council of Europe, the Congress of Local and Regional Authorities (hereinafter referred to as "the Congress") prepares reports on a regular basis concerning the state of local and regional democracy in all member states of the Council of Europe.
2. Armenia signed the European Charter of Local Self-Government (hereinafter "the Charter") on 11 May 2001 and ratified it on 25 January 2002; it entered into force in respect of Armenia on 1 May 2002. Armenia stated that it does not consider itself bound by Articles 5, 6, 7(2) and 10(3) of the Charter.
3. Armenia ratified the Additional Protocol to the Charter on the right to participate in the affairs of a local authority (CETS No. 207) on 13 May 2013. It entered into force on 1 September 2013.
4. The last monitoring visit to Armenia took place in 2003 (19-22 June 2003 and 2-5 October 2003), which gives rise to Congress Recommendation 140 (2003) on local democracy in Armenia.
5. Mr Nigel MERMAGEN (United Kingdom, ILDG) and Ms Ludmila SFIRLOAGA<sup>5</sup> (Romania, SOC) were appointed rapporteurs for, respectively, local and regional democracy in Armenia and were instructed to prepare and submit to the Congress a report on local and regional democracy in the country, in order to scrutinise the implementation of the principles and requirements of the Charter, as well as to review the progress Armenia has made since the last Council of Europe report in 2003. The co-rapporteurs were assisted by Professor Zoltán SZENTE, consultant, member of the Group of Independent Experts on the European Charter of Local Self-Government, Ms Stéphanie POIREL, Secretary to the Congress Monitoring Committee, and Ms Jane DUTTON-EARLY, Co-secretary to the Monitoring Committee.
6. A visit to Armenia took place from 26 to 28 November 2013. The delegation met officials and elected representatives of central government, and the municipalities of Yerevan, Ashtarak and Oshakan, as well as representatives of NGOs and associations (for further details see the programme in Appendix 2).
7. The co-rapporteurs wish to thank the members of the Armenian delegation to the Congress of local and regional authorities of the Council of Europe, the Armenian authorities at central and local level, representatives of Armenian NGOs working in the field of development of municipalities, and all their other contacts for their valuable co-operation at the different stages of the monitoring procedure and for the information provided to the delegation, which ensured that the visit went smoothly.
8. This report has been prepared on the basis of the information and data collected before and during the monitoring visit or received from the Armenian public authorities and the Armenian delegation to the Congress as well as from all the other people who sent information or opinions to the Congress delegation after the visit.

## 1. GENERAL DATA AND POLITICAL CONTEXT

9. Armenia is located in the Caucasus region and is surrounded by Georgia, Azerbaijan, Turkey and Iran. The territory is landlocked, in large part mountainous, and covers 29,800 km<sup>2</sup>. The population of the country is 3,018.854 of which the largest ethnic group is the Armenians (98.1%),<sup>3</sup> while the country's minorities are the Kurds (Yesides) (1.2%), Russians (0.4%) and others (0.3%).<sup>6</sup> The official state language is Armenian, as enshrined by the Constitution.
10. According to the Constitution, Armenia" is a sovereign, democratic, social State governed by rule of law". This country is a unitary, multi-party, democratic nation-state with a rich and ancient

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5. By letter of 10 February 2014, Ms Ludmila SFIRLOAGA, Romania (R, SOC), rapporteur on regional democracy in Armenia, informed the Chair of the Monitoring Committee that she was standing down as rapporteur, due to health problems which occurred during the monitoring exercise in Armenia.

6. These data are from the results of the national census of 2011.

cultural heritage. The country was part of the Soviet Union between 1922 and 1991. It declared its independence from the former Soviet Union on 21 September 1991. The official name of the country is Republic of Armenia (*Hayastani Hanrapetut'yun*, Հայաստանի Հանրապետություն). The Constitution of Armenia was adopted by a nationwide referendum in 1995, and has since been modified once, by another referendum held in 2005.

11. Armenia is a republic with a semi-presidential system of government. The Head of State is elected by the citizens of Armenia through direct general elections with secret ballot for five years. His or her mandate can be renewed only once. The President of the Republic has significant executive powers, including authority to appoint the Prime Minister and, upon a recommendation by the Prime Minister, to appoint and dismiss the members of the government. He/she may dissolve the National Assembly under the conditions laid down in the Constitution, simultaneously calling new elections. The Head of State represents Armenia in international relations, and is also the commander-in-chief of the armed forces. He or she signs and promulgates the laws passed by Parliament and may issue orders and decrees. Despite his/her executive powers, the Head of State stands above the branches of government, and plays a balancing role between them. According to Article 49 of the Constitution, the President must strive to uphold the Constitution, and to ensure the regular functioning of the legislative, executive and judicial powers. He/she is also “the guarantor of the independence, territorial integrity and security of the Republic of Armenia”.

12. Legislative power is vested in the unicameral National Assembly (*Azgayin Zhoghov*, Ազգային Ժողով) consisting of 131 MPs elected for a term of five years. Ninety members are elected by party list under a proportional system and 41 by direct votes in single-member constituencies. The National Assembly exercises the usual powers of democratic parliaments; it adopts laws and the annual budget, ratifies international treaties, declares war and proclaims peace, etc. It elects five members of the Constitutional Court, the Human Rights Defender (Ombudsman), the chairman of the Control Chamber (state audit office) and some other senior officials. Parliament oversees the operation of the government. The National Assembly may remove the government from office by a majority vote. Since the last parliamentary elections of 2012, six political factions are represented in the National Assembly: the Republican Party, Rule of Law (the government parties), Prosperous Armenia, Armenian National Congress, Armenian Revolutionary Federation, and Heritage (opposition parties). Since the second largest party, Prosperous Armenia, left the coalition the two-party coalition government has had a narrow majority in Parliament.

13. Turnout at the last parliamentary election was 50.1% of the total 2.48 million people eligible to vote. It was 42.2% in 2005, and 71.33% in 2000.

14. The government exercises executive power. As provided in the Constitution, the government develops and implements domestic policy, while foreign policy is shaped together with the President. As already mentioned, the government is politically accountable to Parliament.

15. According to the Constitution, judicial power is exercised by the courts and the Constitutional Court. The Constitution provides the usual guarantees of judicial independence and enshrines the principle of a fair trial. Armenia has a three-level judicial system, in which, excluding the Constitutional Court, the highest court is the Court of Cassation. The Constitutional Court consists of nine judges, four of whom are appointed by the President, while five are elected by the National Assembly.

16. Regrettably, the Congress delegation had no opportunity to meet the members of the Constitutional Court during its visit to Armenia.

## **2. CONSTITUTIONAL AND LEGISLATIVE BASIS OF LOCAL GOVERNMENT IN ARMENIA**

17. The Constitution of Armenia recognises local self-government in a separate section (Section 7), from Article 104 to Article 110.

18. According to the Constitution, local self-government is to be exercised in the communities. In constitutional terms, local self-government is the right and power of local communities to resolve issues of local significance, with a view to ensuring the welfare of local inhabitants. Local communities are legal entities enjoying the right to own property and other economic rights.

19. Functions fulfilled by the communities in their own name and under their own responsibility may be obligatory tasks, prescribed by law, or voluntary in nature. State administrative powers and functions can also be delegated to local government bodies.

20. Local communities adopt and manage their own budgets independently. Local revenues are defined by law so as to permit the discharge of local government tasks and functions. These resources include, in particular, local taxes and duties, but the communities may also impose fees and charges for their services, all within the limits of the law. The Constitution also stipulates that responsibilities delegated to the communities are funded from the state budget.

21. The Constitution determines the most important bodies of local self-government, the Council of Aldermen and the Community Chief, i.e. the local legislative and executive powers, and empowers the government to remove the Chief of Community in cases prescribed by law, on the basis of a ruling by the Constitutional Court.

22. The legislative framework consists of several laws, including the Law on Administrative and Territorial Division of 1995 (as amended in 2006), which determines the tiers of government and their administrative status. The Law on Local Self-Government of 2002 deals with the organisation, the tasks and duties, and the supervision of local communities, as well as some other issues of relevance to them, while the detailed rules of local finance are laid down by the Law on the Budget System of 1997, the Law on Taxes of 1997, the Law on Local Duties and Fees of 1998, and the Law on Financial Equalisation of 1998. The legal status of public servants working for local communities is governed by the Law on Municipal Service of 2004.

23. In November 2005, a number of constitutional changes were made with the aim of improving local self-government and complying with the principles and requirements of the European Charter of Local Self-Government. The amendments concerned the following :

- determination of the financial resources of local authorities;
- extension from three to four years of the terms of office of both the legislative and executive branches of local government;
- community status for the capital city, Yerevan, thereby recognising it as a local self-government unit;
- adoption of a new provision establishing the administrative supervision of local communities as "legal control" of their work;
- introduction of a requirement that the local chief executive's dismissal must be decided by the Constitutional Court; and so on.

24. Following the constitutional changes in 2005 a new law on Local Self-Government of Yerevan was adopted in 2008, granting community status to the capital city. The first elections to the City Council of Yerevan were held in 2009 under a proportional voting system.

25. Armenia's efforts to implement the Council of Europe's recommendations are evident from the constitutional amendments of 2005, and also certain modifications of the Law on Local Self-Government together with a number of other recent legislative changes. For instance, after the country ratified the Additional Protocol to the European Charter of Local Self-Government on the right to participate in local affairs, new legislation was passed with the aim of strengthening citizens' participation in local government.

### **3. BASIC CHARACTERISTICS OF THE ARMENIAN SYSTEM OF LOCAL GOVERNMENT**

#### **3.1. Administrative division of Armenia**

26. As mentioned above, the Constitution declares that the Republic of Armenia is a unitary state. The territory of the country is divided into ten provinces (*marzer*, մարզեր) (see the map below). These are not regional self-governments, as they have no elected representative bodies and are subordinate to central government. Each province (region) has a deliberative body, the Regional (*Marz*) Council, consisting of the Chiefs of Communities and the regional governor, but these bodies possess only consultative powers. The chief executive of each of the ten *marzer* is the *marzpet*, who is appointed by



the Government. The legal status of the provinces is governed by the Law on Administrative and Territorial Division of the Republic of Armenia, adopted in 1995.

The administrative provinces (*marzer*) of Armenia



27. Yerevan, the capital city of Armenia, previously also had *marz* status and comprised 12 districts with elected bodies. Following the constitutional reform of 2005, the Law on self-government in the city of Yerevan was adopted in 2008. First elections of the Yerevan Community Council were held in 2009. Only after the elections the 12 districts of the capital have lost their separate local government.

28. Local government units exist only at municipal (community) level in Armenia. From an administrative point of view, each province is divided into communities (*Hamaynks*). Almost all settlements are self-governing (few communities consist of more than one settlement). There are 915 such local authorities, of which 866 are rural and 49 are urban communities.<sup>7</sup> The average population per community is 2,350 disregarding Yerevan, by far the biggest city in the country (if Yerevan is taken into account, the average is 3,600). Almost half of the local communities (48.2%) have less than 1,000 inhabitants. Only 8.5% of communities have a population in excess of 5,000. It can therefore be said that Armenia has a fragmented, small-municipality system of local government.

Table 1  
Number of Municipalities by Population (in 2011)

Number of Inhabitants	Under 100	101 to 300	301 to 500	501 to 1,000	1,001 to 3,000	3,001 to 5,000	5,001 to 15,000	Over 15,000
Number of Municipalities	30	167	76	169	324	71	55	23

29. The structure of regional administration has been a subject of debate for a long time. The need for administrative reform in this area appears to be a commonly held view in the country, but the various stakeholders are far from a consensus as to the right approach.

30. An important component of any regional reform would undoubtedly be the rationalisation of the municipal level. The existence of numerous small and weak municipalities is regarded as a structural problem in Armenia. In view of the large number of local communities, it is not surprising that there are

7. <http://www.mta.gov.am/en/the-lsg>

significant differences between urban and rural municipalities in terms of population numbers, administrative area covered and social and economic infrastructure. The local government units also differ from each other as regards their financial and human resources. Despite these differences, all municipalities have to perform virtually the same tasks. Many people consider that strengthening the economic capacity of local government by merging the small municipalities is a prerequisite for any further decentralisation of power from central to local government.

31. In view of the above situation, calls for the consolidation of municipalities have been more prevalent in government programmes and initiatives of recent years. The reform proposals tend to follow two main directions. The first foreseeable solution, an amalgamation of the smallest local communities into larger municipalities has been under discussion for the last few years. Since a lot of local communities are unable to assume the responsibilities assigned to them by law, and the most rational response, that is a significant increase in the financial resources allocated to municipalities, is commonly regarded as unrealistic, many people think that consolidation of the human, financial and material resources available to the local government system is possible only via a merger of the smaller, weaker communities.

32. At the moment, there are just a few dozen multi-settlement municipalities (where the local government unit consists of more than one settlement). These are usually rural municipalities, on average comprising two or three settlements (Geghi municipality, located in Syunik *marz*, includes six settlements).

33. Upon an initiative by the Ministry of Territorial Administration, a so-called “Concept Paper on Enlargement of Communities and Establishment of Inter-community Unions” was approved by the Armenian government in 2008, followed by a more recent one in 2011. Since 2008, research projects have been launched in four *marzer*, but without conclusive results so far.

34. One option would be the “regional” (or Georgian) model, which envisages establishment of communities within the boundaries of the Former Soviet administrative regions (with some exceptions) in the former Soviet system, in which the number of rural soviets was almost twice greater than that of the current rural municipalities, and in which the local communities belonged to the so-called *rayons* (regional divisions). The other conception prefers a more moderate amalgamation based on economic conditions of the communities, and their capability of public service delivery.

35. The other possible solution to offset the weaknesses of the current fragmented system would be to encourage the formation of local government associations (or consortia) for the joint fulfilment of mandatory tasks, as envisaged, in 2011, in the government’s new version of “Concept Paper on Enlargement of Communities and Establishment of Inter-community Unions”.

36. Another viable option for rationalising territorial administration is to reinforce intermunicipal corporations and encourage their establishment, as a mean for local authorities to get together and ensure joint public service delivery in a more efficient way for local communities.

37. It is to be noted that, in the absence of democratically elected regions, regional development has taken place in a highly centralised manner under a four-year programme for the period 2008-2011 adopted by the government. Although local authorities are involved in the implementation of specific development projects, they have only limited possibilities of influencing the decisions taken centrally.

### **3.2. Local elections**

38. Local elections are regulated by the Electoral Code of 2011. Under this law both the local councils (Council of Aldermen) and mayors are elected by universal, equal and direct suffrage, via secret ballot and for a four-year term of office (except for local elections in Yerevan). The proposal made in the previous monitoring report on Armenia, in 2003, concerning the extension of the three-year term of office to four years has therefore been followed.

39. The communities’ mayors are elected directly in single-mandate, majoritarian constituencies. Local councillors are also elected under a majority voting system, in which the entire territory of the community forms a multi-mandate constituency.

40. The number of council members depends on the number of voters in each community. The council consists of

- five members in a community with up to 1,000 voters;
- seven members in a community with from 1,000 to 2,000 voters;
- nine members in a community with from 2,000 to 4,000 voters;
- 11 members in a community with from 4,000 to 10,000 voters.
- 15 members in a community with from 10,000 to 70,000 voters; and
- 21 members if the community has more than 70,000 voters.

41. The election of the Yerevan City Council obeys different rules. The capital city's Council of Aldermen consists of 65 members, who are elected under a proportional voting system.

42. It is one of the peculiarities of the Armenian local government election system that local elections are not held on the same day but as a result of reforms in the election legislation in 2011, the elections to local a self-government bodies are held on the pre-defined dates, up to four times a year.

43. Turnout in local elections varies between 49 and 53% (in 2012).

44. It can be noted that, according to a very recent Congress report on the local by-elections in Armenia held in September 2012, a large number of local councillors were independent candidates (about 62% of all candidates), while 21.7% of the mayors were also elected as independent candidates. Even if a number of independent candidates may have been supported by parties, these data show that the parties existing at national level do not have a strong local presence, particularly in small municipalities. On the basis of the information in the possession of the Congress delegation, no significant regional or local parties exist; only the representatives of the national parties play a role in local politics. However, as underlined in the above-mentioned Congress report, even the national political forces showed very little commitment with regard to the local elections.

### **3.3. Tasks and functions of local authorities**

45. The Constitution includes only a general provision relating to the mandatory tasks and functions of local communities, forming part of its definition of the concept of local self-government. According to this provision, local authorities are to resolve "issues of local significance aimed at the welfare of the inhabitants in accordance with the Constitution and the law" (Article 104). The Constitution also empowers the legislature to delegate powers of state bodies to local authorities in order to secure the more effective exercise of these responsibilities (Article 105).

46. Although Article 104 appears to confer wide-ranging powers on local communities to regulate, manage and administer local public affairs in general, local authorities play an extremely limited role in practice. Most public services, even those whose "local significance" could hardly be questioned, are delivered by state agencies, either directly or indirectly. It is to be noted that the great majority of public services which most affect the local population, and which are the most important and costly, like primary and secondary education, public health, social welfare, housing, public transport, water, gas and electricity and environmental protection are mainly state functions, albeit frequently shared with local communities as delegated powers. These and many other public services do not fall within the responsibility of the local communities, but are a competence of central government and its regional units, which determine the manner of service delivery and the financial aspects. Local communities have a small number of exclusive powers, for instance pre-school education, management of cemeteries and refuse collection.

47. As a consequence of this allocation of responsibilities, one of the most distinctive features of the division of tasks and functions is the dominance of central government and state administration over local communities.

48. While the Law on Local Self-Government of 2002 provides that the local council shall deal with a whole range of issues, from the approval of the local development programme to the management of municipal property, the most important local matters are entrusted by the same law to the Chief of the Community, mostly as delegated powers. Another trait of the division of tasks and powers is therefore the way the chief executive's role outweighs that of the local council. It is striking in particular that, whereas the local council has predominantly legal authority for the organisational structure and working methods of the local community and is entitled to approve the various development plans, the

Chief of the Community concentrates most of the real responsibilities for local public services, exercised as delegated (state administrative) powers. As some local stakeholders pointed out, the only exception is the municipality of Yerevan, where the Council of Aldermen prevails over the mayor.

49. Whereas mandatory tasks and functions are laid down by the Law on Local Self-Government in the same way for all municipalities (except for Yerevan), conferring equal responsibilities on them, delegated powers are transferred to local communities in a differentiated way, having regard to their size and economic capacity.

50. Besides the mandatory tasks and functions and the delegated powers, local communities can also exercise voluntary powers, if they have enough capacity to do so. Moreover, in certain fields of activity, the law specifies concrete tasks and functions which can be assumed by local communities. The Law on Local Self-Government gives priority to implementation of the mandatory responsibilities.

51. At present, the tasks and functions delegated by the state to local communities and financed by the state budget concern competence for the civil registration system and for delivery of social services. For the city of Yerevan they include other competences too, among others in the spheres of transport and secondary education.

52. Some of the people with whom the rapporteurs met during their visit to Armenia expressed the opinion that the legislation frequently fails to clarify the administrative nature of the various tasks and functions; it is often not clearly stated whether the tasks are mandatory (local government) functions or delegated powers, although the budgetary implications are not the same.

### **3.4. The organisational structure of local authorities**

53. The Law on Local Self-Government determines the basic organisational structure of the communities. The municipal representative body is the "Council of Aldermen", which is elected directly for a four-year mandate. This representative body has 5 to 21 members depending on the size of the local electors. The only exception is the Yerevan City Council consisting of 65 members (among which after the election, only six councillors currently belong to the opposition). The local council may establish permanent and ad hoc committees to assist it in its work.

54. The Chief of the Community exercises local executive power. He or she is not a member of the local council (with the exception of the Yerevan City Council) and cannot simultaneously hold any state office or position. The Community Chief exercises his/her authority through a staff consisting of a deputy chief, heads of division, and the public servants of the local community.

55. Since the Chief of the Community implements human resources policies, appoints the staff, and exercises his/her powers through municipal staff, who make up the community's budgetary, administrative and commercial and non-commercial entities, it is he, rather than the local council, who manages and directs the entire organisational structure of the local community.

56. With a view to assisting local authorities to establish their internal structure and working methods, central government issued an advisory paper on "Model Regulation of the Community Council", which sets out to clarify the procedure to be followed at meetings of the local council or other institutions.

57. The monitoring report of 2003 noted a need for improvement in the staffing of local communities. Since then, central government, with the support of several international organisation and NGOs, has organised training not only for public servants of communities, but also for mayors and local councillors. The situation has presumably changed considerably since the previous report. However, the Congress delegation noted that the efficiency of local government personnel is still sharply criticised by NGO representatives and other stakeholders. It is a widespread opinion that a number of local communities do not operate under appropriate working conditions. In particular, rural communities lack effective administrative structures and professional staff.

### **3.5. Local government finance**

58. The Constitution provides for local communities to draw up their own budgets and for Parliament to determine the sources of local revenue. The Constitution also enshrines the principle of

adequate funding of local government, providing that local financial resources shall be determined in such a way as to secure the discharge of local responsibilities and duties.

59. It should be mentioned that between 2007 and 2012 the total revenue of local authorities grew by 76.3% representing a considerable increase in the local government budget. Virtually, all the resources of local communities have increased over the past few years.

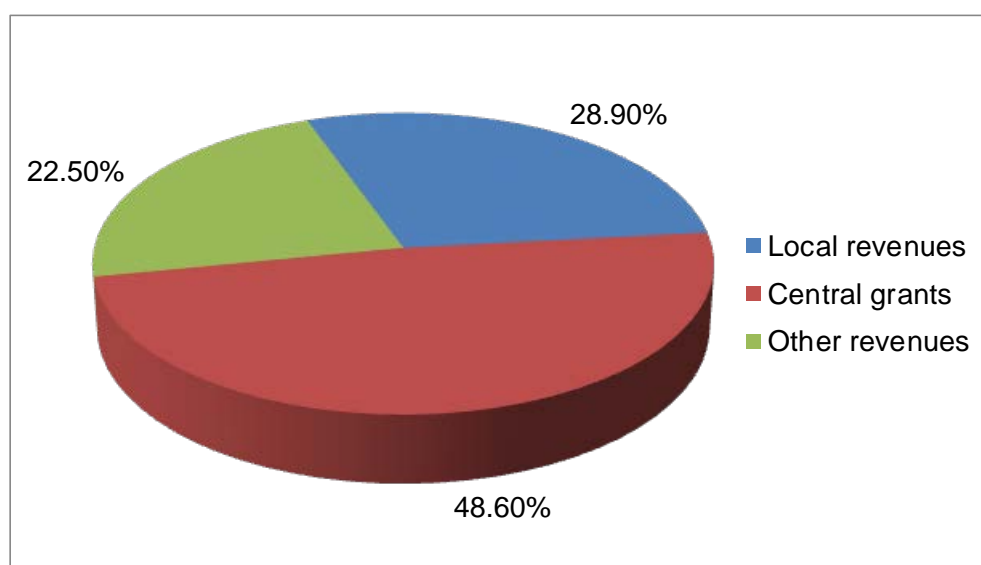
60. However, the relevant constitutional provisions do not guarantee local communities a significant role in public spending. Local government expenditure currently represents only a small share (2.34%) of GDP and amounts to 8.8% of overall government spending (2011 figure). It is to be noted that these figures too show a slow but growing upward trend; the respective data were 1.2% and 4.7% just after the establishment of the Armenian local government system (mainly due to the fact that Yerevan became a municipality in 2009). The data for 2012 do not show any significant change: according to the aggregated data provided by the Ministry of Finance's Central Treasury, local government expenditure amounted to 2.44% of GDP, and 9.7% of the state budget. During the consultation process, Armenian authorities provided the delegation with some data for 2013, namely the total revenues of local self-government bodies of 65, 337, 515 drams.

61. Local government's low share of public spending is even more evident regard being had to the prominent role and significance of Yerevan. In 2011 the annual budget of Yerevan Municipality amounted to no less than 58.6% of the total local government budget. More than a half of all local revenue deriving from taxes and duties is raised in Yerevan, and 97.8% of state budget grants to finance the implementation of delegated powers are allocated to the capital city.

62. It is to be noted that the share of capital income in the total local government budget was 3.8% in 2011, a lower figure than for the previous year (4.9%), and that more than half of this income originated in Yerevan. As a consequence, most local communities have to cope with a lack of capital resources and therefore need state aid or financial support from international organisations and donors to undertake any local investments.

63. Apart from the small proportion of local government expenditure in overall government spending, another specific feature of Armenian local government finance is that it forms part of a highly centralised system. As can be seen from figure 1, the share of local (or "own") revenues only slightly exceeds one-quarter of the total local government budget.

**Figure 1**  
**Structure of Community Revenues (2011)**



Source: Tumanyan, David (ed.):  
*Local Self-Government in Armenia (2011). Book 5. Noyan Tapan, Yerevan, 2012. p. 113.*

### **3.5.1. Local revenues**

64. A frequent feature of local authorities' financial autonomy is the relatively small share of local or "own" revenues in the overall resources of local authorities. As shown in figure 1, these revenues represented 28.9% (23,805.7 million drams) in 2011, as compared with 28% in 2010. Although since the constitutional reform of 2005 local revenues have been defined by the Constitution itself and local communities' entitlement to such revenues is recognised, as well as the principle of concomitant financing, the data show that local authorities are in need of central grants and are dependent on budgetary support. The relatively low percentage of local revenues is, unfortunately, a logical consequence of the small range of local government responsibilities.

#### *3.5.1.1. Municipal taxes and levies*

65. In 2010 a reform of tax law introduced property tax, land tax and hotel tax, all defined as local taxes. Since the first two of these "local taxes" are compulsory in nature, as they are imposed by law, so local authorities are obliged to collect them, while at the same time having little say in setting the rates of these taxes. As a result, even if local communities have been granted powers of tax administration, none of the criteria for a genuine system of local taxation are met. By law local communities are permitted to determine the rate of the hotel tax only, but the relevant implementing legislation has not yet been adopted, not to mention the fact that this tax is not expected to constitute a significant revenue source in most communities.

66. The Constitution recognises the power of local communities "to establish local taxes and duties within the scope defined by law". However, as it was said, the Law on Taxes imposes property tax, land tax, while prescribing the rates of these taxes. Local communities are obliged to subject land and property located within their administrative area to the respective taxes. Only the hotel tax could be levied freely, but that the relevant law has not been adopted so far, thus this is still not the case in practice, as such a tax has so far not been imposed by local authorities.

67. The Law on Local Self-Government entitled local communities to a share of the revenue deriving from income tax, profit tax and environmental fees. All these are central taxes and charges, and the annual budget law determines the proportion of the local government share. However, this is only a theoretical additional revenue source for local communities, as their share, except for the environment fees, has been zero in the past few years.

68. Local communities may also obtain some revenue from fees and charges for the public services they deliver. The Law on Local Duties and Fees for example enables local communities to collect vehicle parking fees on their territory, and municipalities may set fees also for waste collection and disposal. It is to be noted that, as already mentioned above, local communities are entitled to provide only a few public services, making this a limited potential financing source.

#### *3.5.1.2. Use of municipal property, economic activities*

69. Local authorities are permitted by law to generate revenue from their own property and land. Community land may be leased or sold, together with state land located in the territory of the community and earmarked for specific purposes such as financing investment programmes. From this point of view, a step forward was made in in 2002 when state-owned land located within the administrative territory of local communities was transferred to their ownership.

70. Local communities' revenue sources include profits generated by their budgetary organisations or municipal corporations as well as from resources transferred to the communities, such as privatisation receipts generated on privatisation of the state-owned real property (except land) located within the administrative boundaries of the communities, state share in statutory capital of the legal entities, including privatisation of unfinished construction sites.

71. Delegated tasks can be financed through administrative penalties imposed by local communities within their own jurisdiction. Additional municipal income is generated by exercising other administrative tasks and functions, examples being administrative fees and stamp duties from registration or notary services performed by local communities.

### 3.5.1.3. Credit and loans

72. With a view to balancing the community budget, or financing budget deficits, local authorities are entitled to borrow money (credit and loans) from the state budget and commercial banks. Community borrowing must be based on a decision of the Council of Aldermen, but all such transactions require central government approval. Based on the available information, local communities take up loans only rarely, if at all.

### 3.5.2. Central government grants and financial equalisation

73. The system of central grants is referred to as “financial equalisation” in Armenia. This is not fully compatible with the usage made of this term in many other Council of Europe member states, where financial equalisation frequently means a separate mechanism for balancing regional discrepancies and differences in the economic capacity of local authorities. The latter is doubtless one of the functions of financial equalisation in Armenia as well, but, basically, this is a system for financing the mandatory powers conferred on local communities by law.

74. The central grants procedure is regulated by the Law on Financial Equalisation of 1998. The law determines the calculation mechanism. The basic rule is that municipalities having fewer than 300 residents receive a constant amount, while the central grants allocated to bigger municipalities depend on their population and a calculation of revenues from land and property taxes in the municipality concerned.

75. The minimum amount of these grants is determined each year by the Law on the Annual Budget. The total amount of the central grants to be allocated to local government units from the state budget is calculated according to a general guideline, whereby it cannot be less than 4% of actual state budget revenue for the past year. The percentage of state subsidies exceeded the legally required rate for the first time in 2011, when the total amount of central grants was 4.55% of the consolidated budget of Armenia for 2010. This rate was 4.1% in 2012. Since 2000 the total amount of central grants has constantly increased, and it has doubled since 2007.

76. In practice, delegated functions are also financed directly by the state budget. The proportion of this item in local government budgets is unusually high, which shows that the local communities perform a number of delegated functions. This figure was as high as 22.5% of the total local government budget in 2011. However, the lion’s share of all of these central subsidies is assigned to Yerevan, as the capital city carries out by far the most delegated tasks and functions.

77. In theory, the financial resources provided to local communities for this purpose should be commensurate with the delegated competences. Every year the government establishes spending norms for the implementation of delegated tasks. Nonetheless, neither the calculation mechanism nor the whole decision-making process is predictable and transparent for local authorities. Local communities or their associations are not involved in these procedures.

### 3.6. Supervision of municipalities

78. Central government exercises supervision over local communities through its regional governor’s offices. This oversight extends to review of the legality of decisions taken by community councils. If one of the latter bodies acts unlawfully, the *marzpetan* may raise an objection against the respective decision. If legality cannot be restored in this way, the regional governor may make an application for redress to the courts. Only the courts are entitled to annul measures taken by local communities (the Constitutional Council in the case of a local decree) on the ground that they are unlawful.

79. The Constitution empowers the government to dismiss the Chief of Community in cases prescribed by law. These cases are defined by the Law on Local Self-Government. The possible grounds for removal of the Chief of Community relate to his or her incompatibility or incapacity to hold office, and political considerations may not be taken into account. It is therefore surprising that the proposal for dismissal is submitted by the regional governor, and the decision is taken by the government.

80. State supervision over local communities is not limited to the review of legality. The *marzpets* also exercise professional oversight in respect of the fulfilment of delegated powers, reviewing the legality, efficiency and consistency of the local communities' respective activities. Furthermore, the Law on Local Self-Government empowers the regional governor's offices to carry out "financial and economic supervision in communities and intercommunity associations" on behalf of the government.

81. According to the law the financial supervision is assigned to the authority of the Ministry of Finance. However, during its visit the Congress delegation was informed by some sources that the *marzer* actually exercise financial supervision over local communities, which is a special legacy of the "Soviet era" (i.e. the Soviet-type local administration before independence). This point would deserve to be clarified. However, as the legal status of the *marzer* is regulated by a presidential decree, there is no statutory basis for the regional governor's offices to exercise this type of supervision.

82. The financial management of local communities is audited by the Control Chamber, which is an independent state supervisory body. The Control Chamber carries out its functions according to an annual programme approved by parliament. In previous years a number of *marzer* were selected randomly to be audited simultaneously. As from 2014, one *marz* will be chosen and all the communities within that region will be audited. The Control Chamber's audit procedures extend to all aspects of the financial management of local communities and to the use of community property. The Control Chamber is not empowered to apply any legal or administrative sanctions to local communities. If it uncovers any mismanagement it publishes its findings in its report, and may initiate various legal procedures for redress.

83. As general experience of the work of the Control Chamber since its debut in 2008 has shown, the most risk-prone areas of the financial management of local communities are as follows:

- efficiency of local government budget spending,
- procurement by local communities,
- construction activities,
- efficient control of the natural resources of the community (land, water, forests, property),
- state-sponsored economic and social programmes implemented by local authorities.

84. The local councils are required to verify the execution of the community budget. They have not yet developed standard internal audit practices and procedures, and many rural communities do not even comply with the relevant regulations.

### **3.7. Municipal associations and the consultation mechanism between central and local government**

85. Local communities and municipalities are entitled to form associations to represent their needs and interests vis-à-vis the central government. The Union of Communities of Armenia was founded in 1997 to represent all the local self-government bodies in the country. It has been significantly involved over the years in protecting its members' interests, but it would be beneficial if the Armenian authorities could provide legal guarantees to allow the Union to take a higher profile role when decisions concerning local government are made.

86. There are three other, more specialised, unions promoting and representing local government interests. The Community Finance Officers' Association, the Association of Councillors of Armenia, and the Centre for Development of Information Technologies and Training, which participate in drawing up proposals for local government reform and in civil service training.

87. Local government associations' involvement in the parliamentary and governmental decision-making processes is not regulated, and the forms and mechanisms of co-operation with central government agencies are far from clear.

88. Some of the persons interviewed by the Congress delegation said the local government associations are in "daily contact" with central government, but the voice of the local communities is not heard by the central authorities. Under these conditions, the relationship between central government and the local government associations seems to be a one-way street conveying central intentions to local communities.



89. It is generally accepted that the most usual way of promoting local interests is through direct contacts with the competent ministry; therefore, if a municipality wishes to obtain central support or additional financial resources for a local project, its leaders have to turn directly to the minister.

90. For the purpose of jointly performing various community tasks and reducing the cost of service delivery, the Law on Local Self-Government enables local authorities to form inter-community (inter-municipal) associations. These entities are established by an agreement between the local communities concerned, and their common decision-making body consists of their Chiefs of Community.

91. In spite of the great number of small and weak communities, the joint fulfilment of mandatory tasks, primarily through municipal associations, is not a common practice in Armenia. Where such forms of inter-municipal co-operation exist, they have only a limited role, being used for instance to maintain land tax data-bases or manage municipal properties.

### **3.8. Forms of direct citizen participation**

92. Although the relevant legislation provides for the holding of a local referendum, a popular vote of this kind on any local matter is unprecedented in Armenia.

93. There is no viable tradition of direct citizens' participation in local governance within the country. Involvement of citizens in the local government decision-making process is confined to the provision by the local community of information for the population about local public affairs.

94. Mention is made of sometimes surprising obstacles to a greater involvement of local citizens in community decision-making. As pointed out by the leaders of the Ashtarak and Oshakan communities, the meeting room used by the Council of Aldermen is too small, so only a few citizens can take part in council meetings. Others told the delegation that the local population is simply not interested in the local public affairs that are discussed in these meetings, and there is no need for them to participate in the meetings, which are open to the public.

95. Some local experts confirmed that there is widespread traditional distrust of local authorities, a situation which is not conducive to promoting citizens' interest and direct participation in local government matters. There are no local or regional parties representing and voicing local or particular interests. In many cases, the poor level of local democracy does not encourage direct participation by citizens.

96. In recent years, more and more local communities have created official websites publishing local government news and dealing with topical issues of local politics. More than half of the urban communities run a local government website, while some municipalities also have local newspapers or television stations. During the consultation process, the Armenian authorities inform the rapporteur that the Law on Introduction of changes and additions in the Law on local self-government was put into legal effect on June 19, 2013, the objective of which includes enhancing transparency and publicity of the operations implemented by local self-government bodies, as well as legally reinforce participation of citizens in local government.

## **4. ANALYSIS OF THE SITUATION OF LOCAL DEMOCRACY IN LIGHT OF THE EUROPEAN CHARTER ON LOCAL SELF-GOVERNMENT ON AN ARTICLE BY ARTICLE BASIS**

*This analysis is based on the last recommendation.*

### **4.1. Principle and concept of local self-government (Articles 2 and 3)**

#### **Article 2 – Constitutional and legal foundation for local self-government**

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

#### **Article 3 – Concept of local self-government**

1 Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.

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|---|--|
| 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. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute. |
|---|--|

97. Article 2 of the Charter requires signatory countries to recognise the principle of local self-government in their domestic legislation.

98. The previous monitoring report made a number of proposals for the Armenian authorities to incorporate some legislative provisions as well as some new guarantees in the Constitution. The constitutional reform of 2005 complied with some of these recommendations. Regarding the principle and concept of local government, the most important change was the recognition of Yerevan as a community (local self-government), instead of its having *marz* (administrative region) status. In parallel with the establishment of the municipality of Yerevan, the 12 district communities of the capital lost their own local self-government status.

99. In spite of the very gradual transfer of some administrative functions to municipalities in recent years, local communities do not regulate and manage “a substantial share of public affairs under their own responsibility”. The most important and costly local public services are provided by the state. Local authorities take part in service delivery only to a limited extent. In many cases, they provide public services not under their own responsibility, but only as delegated competences.

100. It should also be noted that Recommendation 140 (2003) called for the term of office for local councillors and chiefs to be extended from three to four years, a measure which was taken by the constitutional reform of 2005.

#### **4.2. Scope of local self-government (Article 4)**

<b>Article 4 – Scope of local self-government</b>	
1	The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2	Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.
3	Public responsibilities shall generally be exercised, in preference, by those authorities who are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4	Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5	Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6	Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

101. Recommendation 140 (2003), summarising the main findings of the previous monitoring report on Armenia, stated “notes that across Armenia as a whole, and especially in the rural communities, local government bodies have few substantial powers and that their autonomy is compromised by an unsatisfactory financial regime and by a lack of other resources, such as the absence of a strong local civil service”.

102. Since then, the Law on Local Self-Government has been modified, enumerating the powers and duties of the Council of Aldermen and the Chief of Community. Another development is the growing delegation of powers to local authorities, such as the transfer of certain social services to some urban communities and of many state functions to the municipality of Yerevan. Even the range of mandatory tasks and functions has been extended slightly. Nevertheless, there has been little change regarding the predominant role of central government and its regional authorities as compared with the local communities.

103. Although the Charter does not specify the kind of local public affairs to be regulated and managed by local authorities (municipalities in this particular case), the most important local matters

that greatly affect the life of the local community should, as a general principle, be decided and managed at the local government level. In Armenia, the vast majority of local public services are delivered by the state administration. This division of powers and duties may lead to an ineffective local administration and, in the absence of local democratic scrutiny, may result in a serious democratic deficit.

104. For the majority of local public services, local communities do not have full and exclusive powers. Instead, they often perform functions under delegated powers, with local government bodies serving as agents of the central government, rather than autonomous actors of local public administration.

105. The Congress delegation found that “own” tasks and delegated powers often are not clearly separated, which has negative effects on both the accountability and the finance of local communities. It goes without saying that the scope of local autonomy is much wider when a function falls within the responsibility of local government, while the mere execution of a centrally delegated task places a local community in a subordinate position to the central authorities.

106. The current situation meets the Charter requirement concerning the right of local authorities to be consulted “in due time and in an appropriate way” on matters which concern them directly. There is no information available on the existence of an institutionalised and regular coordination between the central government and local communities guaranteed by law. Their contacts are based on person-to-person relationships and local authorities are informed about central government decisions on an ad hoc basis. The consultation mechanism is not properly regulated.

#### 4.3. Protection of boundaries (Article 5)

##### Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

107. The Charter requires that local authority boundaries should not be changed without prior consultation with the local communities concerned, possibly by means of a referendum where this is permitted by statute.

108. The rapporteurs would point out that Armenia has not ratified Article 5 of the Charter. Consequently, the comments made below in paragraph 110 and the following paragraphs are merely indicative, as Armenia is not bound by this provision.

109. So far only small changes have taken place in the number of local communities. Since the amendment of the Law on Administrative and Territorial Division in 2006, a few rural communities have become urban communities and some others have been integrated into other municipalities. As discussed above, the administrative status of Yerevan was changed in 2008 when the capital city, formerly a *marz*, became a separate municipal self-government, while at the same time the 12 districts of Yerevan lose their own self-government rights. In the latter case, it is not clear, how the respective district communities were consulted before losing their right to local self-government.

110. The Constitution contains sufficient guarantees for local authorities to be consulted prior to any initiative for merging them, since it stipulates that, before submitting such a legislative proposal, the government must call local referendums in the respective communities, and the results of these popular votes must be appended to the legislative initiative.

#### 4.4. Administrative structures and the conditions of the free exercise of functions (Articles 6 and 7)

##### Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

- 1 Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
- 2 The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

**Article 7 – Conditions under which responsibilities at local level are exercised**

- 1 The conditions of office of local elected representatives shall provide for free exercise of their functions.
- 2 They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
- 3 Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

111. The rapporteurs would point out that Armenia has ratified neither Article 6 nor Article 7-2 of the Charter. Consequently, the comments made on these provisions are only indicative, as Armenia is not bound by them.

112. Local authorities have the right to determine their internal administrative structures and they should be able to adapt them to local needs and ensure effective management. Apparently, this organisational autonomy can be restricted only by law, in order to ensure the democratic operation of all local government units. The Charter requires that the conditions of office of local elected representatives must be such as to ensure the free exercise of their functions.

113. Since the monitoring report of 2003, Armenia has made some progress in ensuring appropriate administrative structures and conditions for local communities. Maybe the most significant step was the adoption of the Law on the Municipal Civil Service in 2004 and its amendments in 2008 and in 2013 which established the legislative basis for the legal status of public servants working for local authorities.

114. However, the progress has been made within a highly centralised system, under the auspices of the Ministry of Territorial Administration. The number of staff of local communities is set centrally, and the central authorities have great influence over the recruitment of local administrative staff. Having regard to the very limited financial and human resources of local communities, this may be inevitable. Nevertheless, such strong central control is hardly compatible with the requirements of Articles 6 and 7 of the Charter, which require a real possibility for local authorities to determine their own internal structures.

#### **4.5. Administrative supervision (Article 8)**

**Article 8 – Administrative supervision of local authorities' activities**

- 1 Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
- 2 Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.
- 3 Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

115. Any administrative supervision of the activities of local authorities can only be aimed at ensuring compliance with the law and with constitutional principles. Administrative supervision may, however, be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.

116. Another important requirement deriving from the Charter's provisions is that the law should determine precisely which administrative authorities are empowered to exercise legal supervision over municipalities.

117. Unfortunately, none of these requirements are met by the current Armenian legislation. The supervisory powers of central government extend not only to review of the legality of the local community's action, but also to the economic and financial aspects of local government matters. Although such central supervision can be exercised no more frequently than once a year, it does not seem in conformity with either Article 8 para. 2 of the Charter or Article 108.1 of the Armenian Constitution, which allows only "legal control" in order "[t]o ensure the lawfulness of the activities of the

local self-government bodies”. As the Congress delegation was informed, the *marzpets* exercise effective oversight over the local communities, but the precise content and method of their supervision is not stipulated by law.

118. The government is entitled by law to dismiss the Chief of Community, a situation which departs from the usual practice in Council of Europe member states, where the elected officials of local authorities cannot normally be removed from office for political reasons. This principle seems to prevail in Armenia too, but if that is actually the case only the courts should be able to remove them from office and then only on legal grounds. The possibility for central government to dismiss elected local representatives raises concerns, as the mere existence of such a procedure can be a means of pressure on local leaders.

119. Furthermore, the legal status of the *marzer* is laid down by presidential decree, rather than a statute, which also raises concerns about the adequate protection of local autonomy.

#### 4.6. Financial resources (Article 9)

##### Article 9 – Financial resources of local authorities

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|---|---|
| 1 | Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.  |
| 2 | Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.  |
| 3 | Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.  |
| 4 | The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.   |
| 5 | The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility. |
| 6 | Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.  |
| 7 | As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.   |
| 8 | For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.   |

120. Article 9 para. 1 of the Charter provides that local authorities must have adequate financial resources of their own, of which they may dispose freely within the framework of their powers. Financial autonomy is an essential component of the principle of local self-government and for the exercise of a wide range of responsibilities in the field of local public affairs. These elements are cumulative and not alternative, which means that all the conditions laid down in this provision of the Charter are mandatory.

121. Another basic principle requires that local authorities must have sufficient financial resources in proportion to the responsibilities assigned to them by law. On the basis of the available data and information, it is particularly difficult to assess how this requirement is met in Armenia. While some NGO's claim that the insufficient fund prevents a lot of small communities to provide appropriate public services, others may argue that the principle of adequate finance seems to be more or less fulfilled in Armenia, but only because municipalities have extremely limited powers and responsibilities.

122. The Charter requires that at least a part of local revenues should come from local taxes. Article 9 para. 3 determines the nature of such taxes, providing that they are those for which local authorities, within the limits of the law, must be able to determine the rate. Moreover, local taxes are really “own” revenue sources solely where their imposition can be freely decided at local government level. Currently neither condition is met in Armenia. Local communities are obliged to collect both property and land taxes, and their rate is set by law. Community councils have solely been granted

authority to determine the rate of the hotel tax, but in the absence of the relevant law they cannot impose this kind of tax.

123. It is clear that Armenian municipalities have only minimal financial resources, which is the main obstacle to their assuming a central role in local administration. Typically, one of the persons whom the delegation met described his community's local financial autonomy as being able to approve only a "survival budget". In the absence of sufficient revenues, they are not able to play a more significant role in local democracy.

124. There are some indications that the principle of adequate financing does not prevail in every case. When delegating state administrative powers to local communities, central government sometimes does not provide sufficient financial resources for local authorities to carry out these tasks. This was the case when a law delegated powers in the area of defence to local communities in 2009. More generally, the central grants do not cover the cost of performance of mandatory tasks and functions. As the Congress delegation was informed directly by those concerned, rural communities frequently do not receive sufficient resources for maintaining their public service institutions. During the consultation process, the Armenian authorities provided the delegation of the following info: "For the purposes of addressing a number of urgent issues in the communities in 2013, the reserve fund of the government was used to allocate 7.4 bln drams to the *marzes* to implement capital investment projects (in 2011-2014 four urgent projects were implemented at the value of 40.1 bln drams). In 2013, incremental 1.3 bln drams were allocated to the *marzpetarans* to implement capital investment projects".

#### 4.7. Right to associate and legal protection of local government entities (Articles 10 and 11)

##### Article 10 – Local authorities' right to associate

- 1 Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
- 2 The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
- 3 Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

##### Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

125. The rapporteurs would point out that Armenia has not ratified Article 10-3 of the Charter. Consequently, the comments made below on this specific paragraph are merely indicative, as Armenia is not bound by this provision.

126. According to Article 10 para 1, the Charter requires signatory countries to establish an entitlement for local government entities to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest. In this respect Article 78 of the Law on Local self-government provides the right to form inter-community unions and states that: "Local self-government bodies may form inter-community unions for the purposes of providing solution to some tasks faced by the communities and decrease of expenses. Inter-community unions shall have the status of legal person. Tasks and responsibilities of inter-community unions shall be defined by the law". However, the rapporteur notes that no law defines tasks and responsibilities of inter-community unions which means that *de facto* inter-community unions would simply constitute empty shells.

127. According to Article 10 para.2, each member state has to recognise the entitlement of local authorities to belong to associations for the protection and promotion of their common interests and to join international associations of local authorities. Furthermore, local authorities must be consulted, as far as possible, in due time and in an appropriate way, in the course of the planning and decision-making processes for all matters that concern them directly.

128. Local communities in Armenia have the right to form associations both for joint fulfilment of one or more mandatory function(s) and for promoting their interests.

129. The relevant legislation establishes proper legal instruments for local authorities to protect and promote their rights and interests. Each local community is a legal entity, and may turn to the courts when its rights and interests are threatened. They are entitled to apply to the constitutional Court disputing the constitutionality of statutory regulations infringing the rights of the local self-government bodies. It may seek redress from the Constitutional Court for any infringement of its powers by law or regulations.

#### 4.8. Undertakings – reservations made by States (Article 12)

##### Article 12 – Undertakings

- 1 Each Party undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter, at least ten of which shall be selected from among the following paragraphs:
  - Article 2,
  - Article 3, paragraphs 1 and 2,
  - Article 4, paragraphs 1, 2 and 4,
  - Article 5,
  - Article 7, paragraph 1,
  - Article 8, paragraph 2,
  - Article 9, paragraphs 1, 2 and 3,
  - Article 10, paragraph 1,
  - Article 11.
- 2 Each Contracting State, when depositing its instrument of ratification, acceptance or approval, shall notify to the Secretary General of the Council of Europe of the paragraphs selected in accordance with the provisions of paragraph 1 of this article.
- 3 Any Party may, at any later time, notify the Secretary General that it considers itself bound by any paragraphs of this Charter which it has not already accepted under the terms of paragraph 1 of this article. Such undertakings subsequently given shall be deemed to be an integral part of the ratification, acceptance or approval of the Party so notifying, and shall have the same effect as from the first day of the month following the expiration of a period of three months after the date of the receipt of the notification by the Secretary General.

130. As mentioned earlier, as permitted by Article 12 of the Charter, Armenia has made a number of declarations concerning the scope of the European Charter of Local Self-Government and stated that it does not consider itself bound by some articles. This non-ratification concerns Articles 5, 6, 7-2, and 10-3 of the Charter.

131. During the visit, the Congress delegation was pleased to note that the Armenian representatives all expressed a continuing desire to work with the Congress in maintaining and enhancing compliance with the Charter.

## 5. RECOMMENDATIONS

132. Although the Charter recognises the freedom of all member states to establish their own system of public administration adapted to their specific national, historical and other characteristics and does not require the establishment of a regional level of self-government, the Armenian authorities could consider setting up directly elected regional authorities, in line with the Reference Framework on Regional Democracy, in order to mitigate the over-centralisation of public administration and make territorial governance more effective and democratic. At the moment, there are only administrative regions (*marzer*) in Armenia. Although it can be argued that the country does not need middle-level self-government units, it is to be noted that the existing regional agencies of central government exercise a number of responsibilities and coordinating functions which could also be carried out by elected bodies.

133. However, even if the transformation of the current regional administrative entities into a regional self-government system is not a plausible scenario for the Armenian authorities, the disadvantages of the existing small municipality system should be counterbalanced in some other way. From this point of view, both integration of the basic level of local government, that is the merger of the small communities into larger ones, and the establishment and the strengthening of the inter-municipal associations could be suitable alternatives to regionalisation. Whatever option may be chosen by the Armenian authorities, the point is that local self-government should be given preference over

centralised administration in all matters of local interest and when local public affairs can be managed and administered most effectively at local level. The frequent objection levelled against any further decentralisation – a lack of capacity at municipal level – can be a valid argument, but if that is the case, everything must be done to equip local communities to carry out these tasks successfully. In the past few years, the Armenian government has approved some ambitious development programmes; for instance, on the establishment of inter-community associations, on a pilot project for amalgamation of small and weak communities, or on regional development, but experience shows that the implementation of such plans and concepts is slow and inconsistent.

134. The central authorities should provide financial and other incentives for local authorities so as to encourage the small and weak municipalities to cooperate with each other.

135. As to the internal organisation and the efficient administrative capacity of local communities, thought should be given to giving the deliberative bodies that is the community councils, more weight and importance in relation to the chief executives. The community chiefs' predominance over the local councils is problematic where the chief executives have strong links with the regional governors and in particular in urban communities where they frequently appear to act as the agents of the regional governors.

136. While the progress made in clarifying the legal status of municipal servants and in organising vocational training for them is to be welcomed, the administrative capacities of local communities should be significantly strengthened. All municipalities should have an office for preparing and executing the decisions of the local government bodies, as well as managing day-to-day administrative affairs. Forming a joint administrative office could be a priority for inter-municipal associations, for example.

137. Although some progress has been made in recent years, local communities simply assist the central government and its regional entities in delivering the most important and most expensive local public services. Decentralisation of public powers and tasks and functions of local interest is a very slow process. Since the previous monitoring report on Armenia, only some administrative powers and other responsibilities such as local tax administration or the approval of urban development plans have been assigned to the municipalities. Until such time as the basic public services are provided by the local communities, there can be no talk of genuine local self-government.

138. Further financial decentralisation is also of key importance to the Armenian local government system. Despite the steady growth in central grants, local communities still have a relatively insignificant share in public spending and in GDP. The figures show that local authorities do not have wide-ranging responsibilities.

139. Local communities should be enabled to impose real local taxes. Having regard to the very different situations and conditions of the various local authorities, they should be able to decide which local taxes they want to levy. In addition, they should be able to determine the rate within reasonable limits set by law.

140. Local authorities should also be allowed access to the financial markets in order to obtain additional resources, primarily for capital expenditure. All the conditions necessary to achieving this aim should be established step by step.

141. In order to enhance local democracy, the well-proven instruments and procedures of citizens' participation, including local referendums and popular initiatives should be promoted. Local authorities should seek opportunities to stimulate local residents' interest in their work and achievements.

142. With a view to making further progress towards effective implementation of the Charter, Armenia should expedite the adoption of the relevant legal instruments, providing a proper and effective legal framework for inter-municipal associations, direct citizens' participation, the hotel tax, and so on. Local authorities should be authorised to issue municipal bonds and securities, to take up loans and other forms of credit and to raise resources through shared taxes.

143. During the visit the Congress delegation did not hear the Armenian national authorities put forward any argument or reason such as to justify the ongoing non-ratification of certain provisions of the Charter. On the contrary, the representatives of the central authorities repeatedly stressed that



Armenia meets all the requirements of the Charter. Some mentioned that Article 7.2 (which is not ratified at present) would impose a scarcely manageable burden on local communities. Nevertheless, the rapporteurs consider that the Armenian authorities should examine whether the original grounds for non-ratification of the above mentioned provisions still apply, and whether it would be possible to accept them in the near future. However, the rapporteur welcomes the information addressed to the Congress by the Armenian authorities during the consultation process which states that the Ministry of Territorial Administration is in the process of designing the process to ratify the remaining provisions of the Charter. At all events, the Congress delegation encourages the authorities to ratify these provisions, while making sure that all the relevant principles and requirements are met.

**APPENDIX 1 – INFORMATION ON HUMAN RIGHTS AND LOCAL AUTHORITIES**

1. The Congress delegation was able to obtain information on the major human rights issues and challenges arising for local communities from the Human Rights Defender (Ombudsman) of Armenia, from a number of reports by international organisations and Armenian NGOs, and from representatives of the local authorities it visited.

2. For a couple of years now, the Council of Europe has been sending international observers to all elections held in Armenia. In general, this is an area where the country is perceived as having made considerable progress over the last few years. The local elections of 2012, for example, were in compliance with international standards. Nonetheless, international attention should remain focused on future elections as well, as some instances of bribery or intimidation of voters have been reported. On the basis of complaints submitted to the ombudsman, the breaches reported mainly concerned the following: hindering journalists from entering a polling station during elections, cases of transporting citizens free of charge to voting precincts, unauthorised people entering voting precincts, cases of two people voting simultaneously in a single booth, absence of ramps for disable persons in polling stations, citizens receiving assistance from proxies, gatherings and campaigning inside and outside voting precincts in breach of the procedure enshrined by law, the stamps in voters' passports faded earlier than planned or did not fade at all, distribution or promises of electoral bribes, and other problems.

3. Another recurring problem is the lack of financial resources, staff and candidates. Moreover, the national parties do not always pay sufficient heed to local democracy and governance. As a result, political competition in local elections is generally weak, with the recent exception of the competition to become Mayor of Yerevan in 2013. However, the latter was a special case in view of the prominent role of the capital city in Armenia.

4. Experience shows that some complaints concern the trusteeship practice in the administration of local community bodies. Many people consider that a lot of problems are caused by incompetence and corruption within local authorities.

5. Another category of complaints commonly filed with the Ombudsman relates to building permits issued by the municipality of Yerevan without a sufficient legal basis. More often than not the municipality does not respect the measures aimed at ensuring that building projects comply with town-planning standards. A lot of complaints have been registered concerning the temporarily poor condition of roads and failure to give proper notification of approved zoning schemes.

6. Citizens sometimes complain of a lack of publicity and transparency, for instance a refusal to admit the public to meetings of the City Council of Yerevan. Although there is a Freedom of Information Act, the open and transparent operation of local government bodies has not yet become routine practice in many municipalities in Armenia.

7. Many local observers and stakeholders indicate that there has been a long history of administrative corruption in the country, leading to human rights issues, and that this perception can contribute to popular mistrust of local government institutions.

8. As to the institutional guarantees of human rights in Armenia, the most important bodies are the Constitutional Court, the ordinary courts and the ombudsman. The Congress delegation was informed that no relevant cases have come before the courts; as already mentioned above, the delegation could not examine the respective jurisdiction of the Constitutional Court. The most active and viable forum for defending human rights with regard to the operation of local communities is definitely the parliamentary ombudsman. This institution was established by the Law on the Human Rights Defender adopted in 2003. Under this law, the ombudsman is an independent official, who, guided by the fundamental principles of legality, social co-existence and social justice, protects human rights and fundamental freedoms from violation by the state, local self-governing bodies or their officials. There is only one "general" ombudsman in Armenia, although he has two advisers specialising in particular rights-related fields (currently, children's rights, refugee issues, women's rights, environmental rights as well as rights of minorities, people with disabilities and social-economic rights). In addition, with the financial support of the European Union and the assistance of the OSCE Office in

Yerevan, six regional offices have been founded in six regional centres of the country, coming under the Defender's authority. However, the major obstacle has been the problem of providing the sustainability of the regional offices through appropriate financing, following the ending of the project. In 2014, a budget for the ombudsman was allocated within the State budget adopted by the Parliament which will keep three regional offices running.

9. It can also be noted that under the "Action Plan of the National Strategy for Human Rights Protection" there are plans to establish the office of Military Ombudsman, subordinated to the Human Rights Defender, in 2014.

## APPENDIX 2 – PROGRAMME OF THE CONGRESS MONITORING VISIT TO ARMENIA

### Programme of the Congress monitoring visit to Armenia Yerevan, Ashtarak and Oshakan (26 - 28 November 2013)

#### Congress delegation:

##### Rapporteurs:

Mr Nigel MERMAGEN	Rapporteur on local democracy Chamber of Local Authorities, ILDG <sup>8</sup> Member of the Monitoring Committee of the Congress Councillor, South Somerset District Council (United Kingdom)
Ms Ludmila SFIRLOAGA	Rapporteur on regional democracy Chamber of Regions, SOC <sup>1</sup> Member of the Monitoring Committee of the Congress Councillor, Prahova County Council (Romania)

##### Congress Secretariat:

Mrs Stéphanie POIREL	Secretary to the Monitoring Committee of the Congress
Mrs Jane DUTTON-EARLY	Co-secretary to the Monitoring Committee of the Congress

##### Expert:

Prof. Zoltan SZENTE	Consultant (Hungary) Member of the Group of Independent Experts of the Congress on the European Charter of Local Self-Government
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**Tuesday, 26 November 2013, Yerevan**

#### Armenian Delegation to the Congress and Association of Armenian Communities

- Mr Emin YERITSYAN, Head of the Armenian delegation to the Congress, President of the Association of Armenian Communities, Councillor of the Community of Parakar
- Mrs Lusine AVETYAN, Head of the Community of Kharahunj, Syunik Region
- Mrs Srбуhi HARUTYUNYAN, Head of Bazum Community
- Mrs Alina HARUTYUNYAN, Head, Community of Nor-Yerznka
- Mrs Armine MANUKYAN, Head of Shrvenc Community
- Mr Vardan HOVHANNISYAN, Mayor of the City of Jermuk
- Mr Arayik PETROSYAN, Head of Arbat Community

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8. L: Chamber of Local Authorities / R: Chamber of Regions  
SOC: Socialist Group  
ILDG: Independent Liberal and Democratic Group

**Minister of Territorial Administration**

- Mr Armen GEVORGYAN, Vice Prime Minister of the Republic of Armenia, Minister of Territorial Administration
- Mr Rafael AVETISYAN, Assistant Minister

**Ministry of Finance**

- Mr Pavel SAFARYAN, First Deputy Minister, Ministry of Finance

**Control Chamber of the Republic of Armenia**

- Mr Ishkhan ZAKARYAN, Chairman of the Control Chamber

**Local NGOs and Associations**

- Community Finance Officers Association:
  - Mr Vahan MOVSISYAN, Chairman
  - Mr David TUMANYAN, Deputy Chairman

**Local NGOs and Associations**

- Association of Municipal Councillors of Armenia
  - Mr Arayik HOVHANNISYAN, President (Member of the Parliament)
  - Mr Artak PETROSYAN, Vice-President
- Urban Foundation for Sustainable Development (UFSD):
  - Ms Armine TUKHIKYAN, Chairperson
  - Mr Armen VAROSYAN, Member of the Board of Trustees
- Local Democracy Agencies (LDA) Armenia:
  - Mrs Lusine ALEKSANDRYAN, Director

**Wednesday, 27 November 2013, Yerevan**

**National Assembly of the Republic of Armenia**

- Mr Eduard SHARMAZANOV, Vice President of the National Assembly

**Parliamentary Committees of the National Assembly of Republic of Armenia**

- Mr Stepan MARGARYAN, Chair of the Committee on Territorial Management and Local Self-Government
- Mr Gagik MINASYAN, Chair of the Committee on Financial-Credit and Budgetary Affairs
- Ms Elinar VARDANYAN, Chair of the Committee on Protection of Human Rights and Public Affairs

**Ministry of Justice, Republic of Armenia**

- Mr Grigor MURADYAN, First Deputy Minister, Ministry of Justice of Republic of Armenia, and alternate member to the Venice Commission

**Municipality of Yerevan local authority and Council of Aldermen**

- Mr Kamo AREYAN, First Deputy Mayor of Yerevan (RPA)
- Mr Sergey MKRTCHYAN, Head RPA faction
- Ms Tamara POGHOSYAN, Head PAP faction
- Ms Anahit BAKHSHYAN, Barev Yerevan faction

**Human Rights Defender of the Republic of Armenia**

- Mr Karen ANDREASYAN

**International organisations active in the sphere of local government**

- United States Agency for International Development (USAID)
  - Ms Bella MARKARIAN, Governance Sector Specialist, Democracy, Health and Social Reform Office, USAID/Armenia
  
- Counterpart International (funded by USAID):
  - Mr Carel HOFSTRA, Chief of Party
  
- German Agency for International Cooperation (GIZ) Armenia Office:
  - Ms Dagmar BOTT, Country Director;
  - Ms Meri SARGSYAN, GIZ Adviser
  - Ms Hilke EBERT, Team Leader for Local Governance Programme
  
- United Nations Development Programme (UNDP) in Armenia:
  - Ms Alla BAKUNTS, Democratic Governance Portfolio Analyst
  
- EU Delegation to Armenia
  - Ms Monica PAPYAN, Project Manager

**Thursday, 28 November 2013, Ashtarak and Oshakan**

**Municipality of Ashtarak local authority**

- Mr Armen ANTONYAN, Mayor

**Municipality of Oshakan local authority**

- Mr Aram NERSISYAN, Mayor of Oshakan

**APPENDIX 3 – SOURCES****Sources**

(legal texts and documents used as sources)

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5. Recommendation 140 (2003) on local democracy in Armenia
6. Resolution 167 (2003) on local democracy in Armenia
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14. Local contacts' written replies to a preliminary questionnaire from the Congress delegation