

EUROPEAN UNION



Committee of the Regions

RELEX-022

Brussels, 13 May 2005

OPINION

of the Committee of the Regions

of 14 April 2005

on the

Communication from the Commission – European Neighbourhood Policy – Strategy paper

COM(2004) 373 final

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission to the Council and the European Parliament - European Neighbourhood Policy - Strategy Paper (COM (2004) 373 final);

Having regard to the Commission's decision on 13 May 2004 to consult it in accordance with the provisions of the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision by its Bureau on 15 June 2004 to instruct the Commission for External Relations to draw up an outlook opinion on the matter;

Having regard to the Communication from the Commission to the Council on the Commission proposals for action plans under the European neighbourhood policy (ENP) (COM(2004) 795 final);

Having regard to the proposal for a Council decision on the position to be adopted by the European Community and its Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Jordan Action Plan (COM(2004) 796 final);

Having regard to the proposal for a Council decision on the position to be adopted by the European Community within the Joint Committee established by the Interim Association Agreement on trade and cooperation with regard to the adoption of a Recommendation on the implementation of the EU-Palestinian Authority Action Plan (COM(2004) 789 final);

Having regard to the Proposal for a Council Decision on the position to be adopted by the European Community and its Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Tunisia, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Tunisia Action Plan (COM(2004) 792 final);

Having regard to the proposal for a Council decision on the position to be adopted by the Communities and its Member States within the Cooperation Council established by the Partnership and Cooperation Agreement establishing a partnership between the European Communities and its Member States, of the one part, and Ukraine, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Ukraine Action Plan (COM(2004) 791 final);

Having regard to the proposal for a Council decision on the position to be adopted by the Communities and their Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Israel Action Plan (COM(2004) 790 final);

Having regard to the proposal for a Council decision on the position to be adopted by the European Communities and their Member States within the Cooperation Council established by the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Moldova, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Moldova Action Plan (COM(2004) 787 final);

Having regard to the Communication from the Commission to the Council and the European Parliament: Building our Common Future: Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013 COM(2004) 101 final;

Having regard to the Proposal for a Regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument COM(2004) 628 final;

Having regard to the Communication from the Commission: Paving the way for a New Neighbourhood Instrument COM(2003) 393 final;

Having regard to the Report of the European Parliament on Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours (COM(2003) 104 - 2003/2018(INI));

Having regard to its opinion on the Communication from the Commission to the Council and the European Parliament: *Wider Europe - neighbourhood: a new framework for relations with our eastern and southern neighbours* (CdR 175/2003 fin)¹;

Having regard to its outlook opinion on the Euro-Mediterranean Partnership and local and regional authorities: the need for coordination and a specific instrument for decentralised cooperation (CdR 327/2003 fin)²;

Having regard to its opinion on Local and regional government in Russia and the development of cooperation between the EU and Russia (CdR 105/2004);

¹ JO C 23 du 27.1.2004, p. 36

² OJ C 121 of 30.4.2004 p. 18-25

Having regard to its opinion on Northern Dimension – Second Action Plan 2004-2006 (CdR 102/2003 fin³);

Having regard to its draft opinion on the Commission to the Council and the European Parliament: Building our Common Future: Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013 (CdR 162/2004 rev. 3) (rapporteur: Cllr Sir Albert Bore, Birmingham City Council (UK, PES));

Having regard to its draft opinion (CdR 336/2004 rev. 1) adopted on 7 February 2005 by the Commission for External Relations (rapporteur: **Lord Hanningfield**, Essex County Council (UK/EPP)).

- 1) **Whereas**, in the light of the European Neighbourhood Policy, it should now look to extend its external relations activities, within the parameters of its resources and institutional mission, beyond the current accession states to include, but not exclusively, those countries detailed in the ENP;
- 2) **Whereas**, its priority for external relations must remain with the local and regional authorities of the existing applicant countries;
- 3) **Whereas**, it should also give high priority under the ENP to dialogue and cooperation with all the states on the EU's northern, eastern and southern borders;

adopted the following opinion at its 59th plenary session, held on 13 and 14 April 2005 (session of 14 April).

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1. **The Committee of the Region's views**

1.1 **General remarks on European Neighbourhood policy**

The Committee of the Regions

- 1.1.1 **welcomes** this important and necessary document by the European Commission, providing as it does a real and genuine opportunity to define and improve relations between the European Union and its neighbouring countries;

³ OJ C 23 of 27.1.2004, p. 27

- 1.1.2 **acknowledges** that with the recent enlargement of the European Union and subsequent changes to its external borders, this policy is a timely and welcome step forward designed to share the benefits of the EU's enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned;
- 1.1.3 **agrees** that the European Neighbourhood Policy offers a means to reinforce relations between the European union and neighbouring countries and to prevent the emergence of new dividing lines between them;
- 1.1.4 **stresses** that the European Neighbourhood Policy whilst offering an improved relationship between the EU and its neighbouring countries is distinct from the process of enlargement itself and should be viewed in such a context;
- 1.1.5 **stresses** the importance that local and regional government has to play in this process and is concerned at the absence of any substantive mention and defined role for local and regional government within the Policy;
- 1.1.6 **agrees** that the policy will encourage neighbourhood countries to participate in various EU activities, through greater political, security, economic and cultural cooperation;
- 1.1.7 **considers** that the European Neighbourhood Policy seeks to support efforts to achieve greater respect for improved human rights, civil society and develop good governance in these countries;
- 1.1.8 **welcomes**, in this connection, the recent political developments in Ukraine and in Georgia. The European Neighbourhood Policy must actively support this country's progress towards greater democracy and a market economy;
- 1.1.9 **agrees** that the European Neighbourhood Policy seeks to improve trade relations and economic development between the EU and neighbourhood countries;
- 1.1.10 **acknowledges** that the European Neighbourhood Policy is important to promoting the closer cooperation between countries included in the ENP and the EU in combating terrorism, illegal immigration and cross-border crime such as drugs and human trafficking;
- 1.1.11 **supports efforts**, in ENP countries with different ethnic minorities, to find innovative solutions to promote co-existence and respect for universally recognised fundamental principles.

1.2 Local and regional dimension of the European Neighbourhood policy:

The Committee of the Regions

- 1.2.1 **highlights** that local and regional authorities in ENP countries should, wherever possible, play a greater role in the process of democratisation and devolution;
- 1.2.2 **underlines** that according to one of the Union's main principles – subsidiarity – which allows the most appropriate level of management to be chosen, local and regional authorities play a crucial and unique role in this context as they can ensure lasting and properly orientated relations;
- 1.2.3 **notes** the effectiveness of the bottom-up approach in encouraging the democratisation process;
- 1.2.4 **adds** that in practice local and regional authorities serve as good democratic apprenticeships for citizens, and hence are an important player in ensuring well-functioning democracies;
- 1.2.5 **highlights** the importance of developing and consolidating local government by means of cross-border cooperation and of making greater use of exchanges and shared knowledge with existing Euro-regions as a way of achieving the objectives set out in the Action Plan for each country;
- 1.2.6 **notes** the difficulties experienced by the local and regional authorities of those countries identified in the ENP in taking the necessary measures to adapt their administrative structures to European structures;
- 1.2.7 **wishes** to share with those countries outlined in the ENP the experience gained by its members as a result of their contacts with local and regional authorities in the candidate countries during the enlargement process;
- 1.2.8 **believes** that local and regional authorities are the most appropriate level for decentralised cooperation with partner countries;
- 1.2.9 **recalls** the areas where the expertise of local and regional government has most to offer these countries:
- a. regional and spatial planning;
 - b. urban planning;
 - c. agriculture, fisheries and rural development;
 - d. environment, resource management and civil protection;
 - e. the sub-regional dimension of transport and energy;
 - f. policies promoting SMEs;

- g. policies promoting employment;
- h. cultural and sporting initiatives;
- i. policies for safeguarding and fostering heritage;
- j. social proximity policies;
- k. education and training;
- l. health and social care;
- m. managing immigration flows, reception and integration policy;
- n. housing;
- o. security and safety measures;
- p. public procurement;

1.2.10 **recalls** that there is scope for action by local and regional authorities that complements and goes beyond the traditional limits of cooperation at the level of central governments. Indeed, it is at this level that the ENP as proposed by the Commission can be really effective;

1.2.11 **points out** that the decentralised cooperation practices developed in recent years have highlighted the responsibility that local authorities bear in their role as a catalyst for new cooperation processes.

1.3 **Geographic coverage**

The Committee of the Regions

1.3.1 **notes** that those countries included in the ENP are diverse in their economic, social and political development and furthermore do not start from the same point in regard to their relations with the EU;

1.3.2 **believes** that strong regional and local institutions elected by and accountable to the people are necessary for truly democratic societies and anticipates the entry into force in 2006 of federal legislation on the remit of Russian regional and local authorities to be a step forward for potential cooperation between devolved authorities in the EU and Russia, notably by clarifying competencies with regard to cross-border cooperation;

1.3.3 **is concerned** that no direct mention is made within the ENP as to the ongoing problems in regard to Kaliningrad although accepts that the issue is adequately addressed in other documents and work of the Commission;

1.3.4 **welcomes** the decision to include the Southern Caucasus - Armenia, Azerbaijan and Georgia - in the European Neighbourhood Policy;

1.3.5 **further welcomes** the commitment of the EU to “support credible, concrete and sustained reform efforts, in particular in the above mentioned priority areas, by additional means of assistance”⁴.

1.4 **Action Plans**

The Committee of the Regions

1.4.1 **supports** the idea of an all encompassing Action Plan jointly agreed by partner countries and the EU as the most effective way to achieve the objectives of the European Neighbourhood Policy;

1.4.2 **agrees** that the ambition and pace of development of the EU’s relationship with each partner country will be determined by its degree of commitment to common values as well as its will and capacity to implement the priorities agreed in the Action Plan;

1.4.3 **emphasises** the importance of a strong focus on poverty alleviation and the importance of tackling corruption, described as “a significant obstacle to reform in many ENP countries”;

1.4.4 **believes** that it would have been advantageous for each Action Plan to have contained a specific section on the role of local and regional government in the relevant partner country, detailing clear targets for both the role of local government and the ways by which the partner country intended to devolve powers and strengthen local and regional government. This desire should be commuted to the Commission with a view that such a specific section should be incorporated in the next tranche of Action Plans;

1.4.5 **believes** that its members have an important role in analysing and debating the funding made available to each partner country especially in light of the statement made in the ENP strategy paper, “The Commission has proposed that existing funds or their successors be increased significantly under the new financial perspectives, in keeping with the priority given by the EU to the ENP.” The new simplified funding mechanism intended for adoption in 2007 additionally makes such analysis and debate a priority.

1.5 **European Neighbourhood Instrument**

The Committee of the Regions

1.5.1 **welcomes** the proposed new simplified funding system, the European Neighbourhood Instrument;

⁴ European Neighbourhood Policy – Strategy Paper, 12.5.2004, p.11

- 1.5.2 **believes** that the Commission as a priority must provide greater information and technical details as to how the Instrument will work in practice, how it will be administered and how it will be scrutinised.

2. **The Committee of the Regions' Recommendations**

The Committee of the Regions

- 2.1 **believes** that the use of its members' experience could be used to develop local and regional democracy, which is indispensable to political stability in the countries identified;
- 2.2 **recommends** that in order to overcome the difficulties facing local and regional authorities in those countries identified in the ENP, the CoR develops suitable mechanisms to encourage direct dialogue and information transfers;
- 2.3 **recommends** that those countries carrying out the necessary reforms to place themselves on the road to democracy and free and fair elections should receive the full benefit of the ENP;
- 2.4 **recommends** that the European Neighbourhood Policy offers the prospect of new contractual agreements with partner countries which could take the form of European Neighbourhood Agreements. The scope of these would be defined in the light of progress in meeting the priorities set out in the Action Plans;
- 2.5 **proposes** that the Action Plans will be monitored using existing structures under the various Partnership and Cooperation/Association Agreements, with formal progress reports produced between two and five years after the Action Plans are adopted;
- 2.6 **recommends** to the European Commission that, like enlargement before, its members should play a leading role in the evaluation of the progress of the Action Plans focusing primary on the steps to empower and modernise local and regional government;
- 2.7 **recommends** that for the next tranche of Action Plans for each neighbourhood country a specific section on the role of local and regional government in each partner country should be included, detailing clear targets for both the role of local government and the ways by which the partner country intends to devolve such powers including a clear and transparent timeframe to achieve such an objective;
- 2.8 **believes** that any Action Plan must have joint ownership with the priorities based on clear and credible economic incentives for promoting positive change and thus assist the targeting of technical assistance;
- 2.9 **believes** that there is an urgent and fundamental need to improve and modernise local and regional government in those countries identified in the ENP including a dramatic

improvement in regard to fair and free elections, democratic values and political freedoms at the local level and recommends that the Commission initiates a specific programme as part of the Action Plan for each neighbourhood country to achieve this objective (see appendix 1);

- 2.10 **recommends** that within the proposed new simplified funding system, the European Neighbourhood Instrument, serious thought should be given to a specific financial instrument that is tailor-made for decentralised cooperation and is intended for use by local and regional authorities to help modernise and reform their operations in the neighbourhood countries;
- 2.11 **recommends** that the European Commission gives to it and its members the possibility to play a leading and active role in assessing and discussing the new European Neighbourhood Instruments;
- 2.12 **recommends**, in order to facilitate this process, that a conference is held in 2006 that would seek to bring together representatives from local and regional government from all states as outlined in the ENP with the possibility of four separate conferences dealing in turn with the Mediterranean Region, the Baltic Sea Region and the countries of Eastern Europe and the Middle East.

Brussels, 14 April 2005

The President
of the
Committee of the Regions

The Secretary-General
of the
Committee of the Regions

Peter Straub

Gerhard Stahl

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N.B. Appendix overleaf.

Local and Regional Government in ENP Countries

Belarus

The country is divided into 6 voblastsi and one municipality. Belarus has a three-tier system for local governments. The divisions are regional, district, city, village and settlement soviets (councils). The regional soviets are the highest-ranking units and direct the activities of the district soviets, which in turn direct city, village and settlement soviets. Soviet representatives are to be elected every four years. The soviets "coordinate functions of the whole local self-government system; fulfil public, economic and social-cultural construction within the framework of their authorities; take care of natural resources, public property, protection of the environment, etc."⁵

Moldova

Moldovian politics is dominated by tensions between the central government and separatists in the Transnistrian and Gagauzia regions. Ethnic, social, economic and cultural differences between Moldovans, Russians, Ukrainians and Gagauz came to a head in 1990 when Moldovan was proclaimed the national language. Both regions claimed to be separate regions from Moldova. Gagauzia has been granted special constitutional status and this has ended the major conflict between separatists and the central government. Negotiations facilitated by Russia, the OSCE and Ukraine have been unable to solve the conflict between Transnistrian and Moldova.

The latest local and regional elections were held in May and November 2003 and were considered to meet basic international standards..

Legislation in March 2003 reorganised local government back to the Soviet period. The country is now divided into 33 "rayons", replacing the twelve regional "judeti" (counties).^{*} More specifically, there were 9 "judeti", 1 municipality, 1 autonomous territorial unit, and 1 territorial unit. The reorganisation was proposed in the Communist Party's re-election manifesto in 2001 and mirrors the party's regional organisation. Many people have criticised the Communist Party for reorganising local government to solidify their hold as the majority governing party and gain an advantage in local government elections.⁶

⁵ Local Government and Regional development Initiative, Report on Belarus 1994,
<http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN003979.htm> 25.10.2004

⁶ FCO Country Profile,
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1019672579768>, 25.10.2004

Ukraine

Ukraine is divided into 24 oblasti, 1 autonomous republic, and 2 municipalities with oblast status. These divisions are outdated and left over from the Soviet era. Oblasti are further subdivided into "radas" (councils). Representatives for the radas are chosen by single mandate district elections. These elections are not usually fair - the heads of district and regional administrations, appointed by the President, often interfere in local elections. Opposition parties have "demanded the introduction of a proportional system in regional and district elections to prevent the domination of a 'non-party' bureaucracy".⁷

Regional votes held since the parliamentary elections of 2002 have not met international standards, but are improving. For example, "during the Mukacheve mayoral election in April 2004, OSCE representatives noted an attack on a polling station, intimidation, and physical assault resulting in the hospitalisation of an observer. Other problems such as theft of ballots were also reported and the election result was widely seen as fraudulent".⁸ Local elections in Odessa and Poltava in May and June 2004 were an improvement despite problems with voter registration. It is obvious that local government is not completely democratic.

Russia

Russia is divided into 49 oblasts, 21 republics, 10 autonomous okrugs, 6 krais, 2 federal cities, and 1 autonomous oblast. Or it is divided into 89 subjects, 21 national administrative units (national republics), 66 territorial units and 2 federal cities.⁹ Local government within the Russian Federation continues to struggle with decentralisation following the dissolution of the Soviet Union. As a result of the transition to a federal state, many national republics gained more power than other federal units. For example, national republics' legislation often contradicts federal legislation.

President Putin introduced a program of reforms in 2000 to solve inefficiencies in local government organisation. Under this program, Russia is divided into 7 major regions by consolidating the various federal units. The institution of the Executive Representative of the President of the Russian Federation was created for each federal unit. The primary goal of this program is to increase efficiency of public management and governance and the development of local government "as a major agency of civil society and maintenance of responsible government".¹⁰

⁷ UNPAN Nations in Transit 2004: Country Report Ukraine,
<http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN017053.pdf>, 25.10.2004

⁸ FCO Country Profile,
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1019745009984>, 25.10.2004

⁹ UNPAN Modernising the Relationship between Levels of Government Russia,
<http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN009033.pdf>, 25.10.2004

¹⁰ UNPAN Modernising the Relationship between Levels of Government Russia,
<http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN009033.pdf>, 25.10.2004

Following the terrorist attack in Beslan, September 2004, President Putin announced a radical reform in regard to the election of the country's 89 regional governors. Rather than being directly elected they will be in future nominated by the president, then confirmed by regional legislatures. The plan was endorsed by the country's Duma in October 2004.

Algeria

Algeria is divided into 48 provinces (wilayas, singular – wilaya) each with an elected local council that serves as the main governing body. The latest municipal elections were held in October 2002. Turnout for elections is usually around 50% and is hindered by the many regional conflicts between the central government and Berber insurgents.¹¹ There is a lack of local autonomy; governors report directly to the Ministry of the Interior. Decentralisation has been effective at the provincial level in managing local infrastructure and services.¹²

Egypt

Egypt is divided into 26 governorates (muhafazat, singular - muhafazah). The central government wields a large amount of power in local governing bodies because of a system of top-down political appointments. "At each level, there was a governing structure that combined representative councils and government-appointed executive organs headed by governors, district officers, and mayors, respectively."¹³ Local government is ineffective in delivering government services.

Decentralisation gained momentum under President Sadat. Local governments were given the power to raise taxes but were forced to spend large amounts of money on government schemes and often went into debt. They were also encouraged to enter into partnership with private companies, which supported the relationship between the central government and the country's rich and elite. Under Mubarak, the process of decentralisation has continued and local governments now reflect more local concerns and less central policy.. Local government is also used as a means of control. "The district police station balanced the notables, and the system of local government (the mayor and council) integrated them into the regime."¹⁴

11 FCO Country Profile, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1018535850896>, 26.10.2004

12 UNDP-Programme On Governance in the Arab Region (POGAR), <http://www.pogar.org/countries/algeria/decentralisation.html>, 28.10.2004

13 US Library of Congress Country Studies, <http://countrystudies.us/egypt/113.htm>, 27.10.2004

14 US Library of Congress Country Studies, <http://countrystudies.us/egypt/113.htm>, 27.10.2004

Israel

Israel is divided into 6 districts (mehozot, singular - mehoz). The districts are further divided into fourteen subdistricts, each headed by district commissioners appointed by the Prime Minister. District commissioners are responsible for reviewing policy of the district councils and enacting national legislation within the district. The municipal and local council members are elected by proportional representation and party lists and the mayor is elected directly by voters in specific municipalities. Local government is responsible for administering public goods and levying local taxes.¹⁵

Jordan

Jordan's local government reflects the fact that power rests with the King and his government. The country is divided into 12 governorates, each headed by an appointed commissioner. The governorates are further divided into administrative subregions. Subregions include towns, villages and municipalities. Larger municipalities have elected district councils and elected mayors. District governments are basically a vehicle for central governmental policy and legislation.¹⁶ Municipal and regional governments rely on the central government for allocation of funds and the administration of public services and infrastructure, limiting their ability to address local issues. Rapid urbanisation has put pressure on local governments and municipalities to provide adequate services. Recent decentralisation has mainly taken the form of privatising state-owned industries.¹⁷

Lebanon

Lebanon's local government is uncertain at the moment as the central government attempts to rebuild the nation after 16 years of civil war. The central government took over local administration as a means of retaining control during the war. The debate between a strong central government versus a decentralised state will affect the development of local government in the years to come.¹⁸ Syria's continued involvement in Lebanon has reinforced central government. Decentralisation in practice has little support from the government due to the political instability of the country.¹⁹

Lebanon is divided into 6 governorates, which are further subdivided into administrative municipalities. The first local elections in 35 years were held in 1998. "Voter participation was high, on average between 60-70%. In Beirut only 30% voted but this was perceived to be due to voters thinking that the result was a foregone conclusion. There was little evidence of fraud or violence. The

15 US Library of Congress Country Studies, <http://countrystudies.us/israel/85.htm>, 27.10.2004

16 Jordan national website, <http://www.kinghussein.gov.jo/government2.html>, 27.10.2004

17 UNDP-POGAR, <http://www.pogar.org/countries/jordan/decentralisation.html>, 28.10.2004

18 World Bank: Municipalities in Lebanon, <http://www.worldbank.org/wbi/mdf/mdf1/munici.htm>, 27.10.2004

19 UNDP-POGAR, <http://www.pogar.org/countries/lebanon/decentralisation.html>, 28.10.2004

elections mark a further stage in post conflict reconstruction."²⁰ Local governments rely on the central government for allocation of funds, which limits their ability to address local issues.

Libya

Libya was historically made up of distinct regions, which were consolidated into a federation under King Idris. This federation was replaced with a unitary system in 1963. The ten governorates were basically an extension of the central government. After Qadhafi's revolution in 1969, the local divisions were further consolidated to allow for greater oversight by the central government. "For the most part, subnational government continued to function as a hierarchical system of administrative links with the central government rather than as a vehicle for popular representation or participation."²¹ The current local administration, according to the CIA World Fact Book, consists of 25 municipalities (note - the 25 municipalities may have been replaced by 13 regions).

The process of decentralisation faces many hurdles. Oil exports are a major part of Libya's economy and its revenues help to prop up the government. "The highly centralised nature of the distribution of oil profits in Libya has undermined efforts to achieve decentralisation."²² Although Libyan law gives local governments responsibility for education, industry and communities, in practice the central government dictates local policy. "By law, Libya has one of the most politically decentralised systems in the Arab region. Local governmental institutions extend over education, industry, and communities. But in practice, the central leadership dictates the power of these institutions. Civil society and all non-state political organisations are actively suppressed, creating little political participation from the bottom up. Many of the elites who could be expected to fill positions of local leadership reside overseas."²³

Morocco

The process of decentralisation began in the 1960s as a response to growing social pressures. "The major constraints on the decentralisation process are first of all, the absence of coordination between levels of government, and then the weak capacity of civil society organisations and local governments."²⁴ The biggest hurdle facing the development of local government is Morocco's strong central government and lack of local democracy. The constitutional monarchy is still powerful and is

20 FCO Country Profile, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1018721190906>, 27.10.2004

21 US Library of Congress Country Studies, <http://countrystudies.us/libya/70.htm>, 27.10.2004

22 UNDP-POGAR, <http://www.pogar.org/countries/libya/decentralisation.html>, 27.10.2004

23 UNDP-POGAR, <http://www.pogar.org/countries/libya/decentralisation.html>, 27.10.2004

24 UN case studies, <http://www.ciesin.org/decentralisation/English/CaseStudies/morocco.html>, 27.10.2004

slowly evolving to a parliamentary system. The parliament is democratically elected and the latest elections held in 2002 were the most free and fair in the region.²⁵

The country has 37 provinces and 2 wilayas and "as part of a 1997 decentralisation/regionalisation law passed by the legislature 16 new regions (provided below) were created." Each province is governed by an assembly, which is elected by the municipal councils. Municipalities oversee infrastructure and local services. They are often constrained by lack of funding as they lack fiscal autonomy. The last municipal election was held in 1997 and was criticised as fraudulent by opposition parties.²⁶

Syria

Syria is divided into 14 provinces "that are headed by governors appointed by the Ministry of Interior. These governors report directly to the president. The governors control provincial government offices as well as the local offices of ministries and state-owned enterprises. Below the provinces, there are, in descending order of authority, districts, counties, and villages. Locally elected administrative councils administer these governments, though in practice they remain highly dependent on central leadership."²⁷ Syria's extensive civil service and history of strong central leadership is a hindrance to the development of local governmental organisation. Administration is dependent on decision-making of a small group of individuals at the top. The last local elections were held in 1999.²⁸ Some decentralisation programs have begun under Prime Minister Miru, but decentralisation will probably be a slow process unless local democracy is developed simultaneously.

Tunisia

Tunisia has a highly centralised government that has not been receptive to the notion of decentralisation. Politics is dominated by the ruling Rassemblement Constitutionnel Democratique (RCD) and President Ali, who has been in power since 1987. The tradition of central planning includes government control of the economy. There have been some moves towards decentralisation through the establishment of municipal councils, but these are not developed consistently throughout the nation and are mainly instruments of the central government.

25 FCO Country Profiles,
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1020281580149>, 27.10.2004

26 UNDP-POGAR, <http://www.pogar.org/countries/morocco/decentralisation.html>, 28.10.2004

27 UNDP-POGAR, <http://www.pogar.org/countries/syria/decentralisation.html>, 27.10.2004

28 FCO Country Profile,
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1021373886647>, 28.10.2004

Tunisia is divided into 24 governorates, each headed by governors appointed by the government. The governorates have legislative assemblies made up of members both elected and appointed. Most rural areas lack local governing bodies and the central government retains control over fiscal policy and taxation. "Many municipalities have been frustrated by a lack of funds. The lack of a uniform or standardised municipal structure in Tunisia has allowed some local governments to push ahead, while others trail behind."²⁹ The latest local elections were held in 2002 with the majority of seats going to RCD candidates.

There is both local and governmental support for the further development of local governments. Civil society organisations are pushing for greater participation in local affairs. The government sees this as an opportunity to diffuse political tensions and retain political stability. It has also implemented regional development plans to create new infrastructure and decentralise management of infrastructure.³⁰

Armenia

Armenian politics has been dominated by the struggle with Azerbaijan for the Nagorno-Karabakh region, populated primarily by citizens of Armenian descent. Armenia is divided into 11 provinces. The last local elections were held in November 1996. Despite the fact that the presidential elections were criticised by many as unfair and resulted in violent clashes between protesters and the police, the Council of Europe observers deemed these elections to have been free and fair.³¹ Local governments are merely an extension of the central government to implement policy.³² Rampant corruption and a weak political system has limited the development of local governing organisations.

Azerbaijan

Azerbaijan continues to struggle economically and politically due to the conflict with Armenia over the Nagorno-Karabakh region. Its resources are strained by the loss of territory and the need to provide services for over 800,000 refugees. Although Azerbaijan has many petroleum reserves, these are not well developed. There are so many problems with national government, including election fraud, corruption and a crackdown on opposition parties and the media, that local government seems to be fairly undeveloped and ineffective. Azerbaijan is divided into 59 rayons, 11 cities, and 1 autonomous republic.

29 UNDP-POGAR, <http://www.pogar.org/countries/tunisia/decentralisation.html>, 28.10.2004

30 UNDP-POGAR, <http://www.pogar.org/countries/tunisia/decentralisation.html>, 28.10.2004

31 FCO World Book, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KCountryProfile&aid=1019233781786>, 28.10.2004

32 US Library of Congress Country Studies, <http://countrystudies.us/armenia/47.htm>, 28.10.2004

Georgia

The political climate over the past decade has been tumultuous. However, despite the various assassinations of top officials and assassination attempts on President Shevardnadze, elections held in 1992 and 2004 have been seen as generally free and fair. Georgia is moving towards democracy and in recent years has enjoyed greater political stability. Georgia's administrative divisions include 9 regions, 9 cities, and 2 autonomous republics.
