



Committee of the Regions

CIVEX-V-012

**88th plenary session
27 and 28 January 2011**

**OPINION
of the
Committee of the Regions
on
LOCAL AND REGIONAL GOVERNMENT IN AZERBAIJAN AND THE
DEVELOPMENT OF COOPERATION BETWEEN AZERBAIJAN AND
THE EU**

THE COMMITTEE OF THE REGIONS

- notes that the country lags behind in the reforms to meet the ENP Action Plan in the areas of rule of law, democracy, fight against corruption and human rights. The lack of independence of the judiciary and the media, is an additional impediment to achieving greater democracy. However progress has been made in the fields of taxation and economic stability. At the same time, encourages the government of Azerbaijan to continue implementing recommendations of the EU, the Council of Europe and the Venice Commission;
- welcomes a good track record in using the EU Twinning Programme and encourages the government of Azerbaijan to continue doing so in the future;
- is concerned with the very limited number of responsibilities allocated to municipalities by the law. In practice their responsibilities are even more limited and at best are related to the maintenance of municipal roads, cemeteries, parks and some aspects of the delivery of social care that are not covered by the central government. Municipalities in most cases do not have adequate capacity, training or knowledge to carry out those limited responsibilities prescribed by law;
- calls on the Government of Azerbaijan, together with the expert help from the EU and the Council of Europe, to design a comprehensive strategy for improvement of local governance and local democracy with realistic targets and time-frames for delivery.

Rapporteur

Cllr Gordon Keymer (UK/NI), Member of Tandridge District Council

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Background - Azerbaijan and Europe

1. acknowledges Azerbaijan's historic heritage including its experience as a secular parliamentary republic;
2. recalls that relations between Azerbaijan and the EU formally started in 1996 with the signing of the Partnership and Cooperation Agreement that entered into force in 1999 thus providing a legal basis for EU-Azerbaijan political relations, currently managed under the European Neighbourhood Policy (ENP);
3. notes that the country lags behind in the reforms to meet the ENP Action Plan in the areas of rule of law, democracy, fight against corruption and human rights. The lack of independence of the judiciary and the media, is an additional impediment to achieving greater democracy. However progress has been made in the fields of taxation and economic stability. At the same time, encourages the government of Azerbaijan to continue implementing recommendations of the EU, the Council of Europe and the Venice Commission;
4. welcomes a good track record in using the EU Twinning Programme and encourages the government of Azerbaijan to continue doing so in the future;
5. calls on the government of Azerbaijan to support municipalities in applying for the various EU programmes available to them and to encourage the municipalities to cooperate further with the EU Commission;

Local governance

6. notices two parallel systems of governance at the local level in Azerbaijan. One consists of municipalities elected and accountable to the citizens (public) and the national parliament (Milli Mejlis) with very limited powers to deliver services to the citizens. The second, Local Executive Authorities which are a part of the state governing structure directly appointed by the President;
7. is concerned with the very limited number of responsibilities allocated to municipalities by the law. In practice their responsibilities are even more limited and at best are related to the maintenance of municipal roads, cemeteries, parks and some aspects of the delivery of social care that are not covered by the central government. Municipalities in most cases do not have adequate capacity, training or knowledge to carry out those limited responsibilities prescribed by law;

Strong local authorities

8. believes that strong, democratic local government with devolved powers is important for encouraging citizens' involvement in their areas and increasing turnout at local elections;
9. calls on the European Commission to support the design and implementation of educational programmes for citizens on roles and responsibilities of local authorities, and their rights and ways to take part in decision making processes at the local level in the country;
10. calls on the government of Azerbaijan and the European Commission to continue building capacities of local authorities, sufficient at least to deliver adequately the current limited services prescribed by law whilst putting emphasis on the issues of accountability, transparency and increased citizens' participation and at the same time also establishing the conditions required for the emergence of an independent, self-governing administration;
11. calls on the Government of Azerbaijan, together with the expert help from the EU and the Council of Europe, to design a comprehensive strategy for improvement of local governance and local democracy with realistic targets and time-frames for delivery;
12. suggests setting up an independent institution that will deal exclusively with improvement and development of local authorities in Azerbaijan. The work of such an organisation should be overseen jointly by the three national associations of local authorities;
13. understands that the number of national local government associations is to be reduced from three to one and believes that before doing so, careful thought should be given to ensuring a national association structure that provides the widest possible member involvement and the equal representation of all types of municipalities;
14. underlines its commitment to support cooperation between the local authorities in Azerbaijan and local or regional authorities in the European Union, in order to promote strong and democratic sub-national governance;
15. calls on the European Commission and the Government of Azerbaijan to support programmes of exchange of best practices in service delivery between Azerbaijani and EU local authorities, as well as domestically, by enabling transfer of the "know how" from local executive authorities to municipalities; in order to boost the capacity of local authorities in real terms, recommends taking into account the results of the exchange of experiences garnered from meetings between representatives of local and regional authorities from the EU and Azerbaijan;
16. regrets that, while the number of municipalities in Azerbaijan has been reduced, a similar reduction in the number of local executive authorities has not followed;

17. encourages the transfer of powers from the Local Executive Authorities to the locally elected councils to increase and strengthen local democracy in Azerbaijan;

Local finances

18. is concerned with the worsening of the financial situation of municipalities in Azerbaijan following the significant decline in total budget revenue and the major contraction of *per capita* revenues of municipalities;
19. believes that a strong and healthy local government needs a reliable, adequate and equitable local funding stream, including a robust local tax base, to provide high quality local services that strengthen local councils' powers and involvement with their community. Government grants should be paid in such a way that local councils are able to plan their own finances over a reasonably long time frame;
20. welcomes the Government of Azerbaijan's efforts to increase business investment and believes that those businesses should make some transparent financial contribution to their local authorities in order to promote a good working relationship between businesses and their local municipality and develop local communities;
21. believes that municipalities should have ownership over their buildings to allow greater opportunities for forward planning;

Local democracy

22. notes that, despite some improvements in technical aspects, every single local election in the country has failed to meet international standards and urges the Government of Azerbaijan to simplify the nomination procedures for candidates, secure fairer distribution of resources for pre-election campaigns to all political parties and/or candidates, enable independent observation of elections and particularly of the counting process by allowing candidates or their authorised representatives to be present during the ballot count and also to act on the other findings of the joint CoR/Congress observation mission;
23. encourages a broader media to increase turnout in the election as well as the number of opposition candidates and calls on Azerbaijani authorities to respect fully its commitments regarding the freedom of the media;
24. welcomes conscious efforts by both ruling and opposition parties to increase the number of female candidates in the last municipal elections which resulted in a sharp increase in the number of seats won by women;

25. welcomes the introduction of the Council of State Support for NGOs under the President of Azerbaijan and allocation of financial support, but it is concerned with the noticeable deficiencies in practices related to the registration of the NGOs;
26. suggests that once there is a resolution of the conflict, local government in Nagorno-Karabakh and seven surrounding regions will need to be substantially supported;

Local transport and environment

27. encourages investment in the regional transport system for improved local economic development;
28. notes that regional air-transport is particularly important in Azerbaijan due to its geography. It also has important benefits for increasing employment and social cohesion;
29. notes that local authorities play a key role in dealing with environmental issues and encourages the Government of Azerbaijan to include municipalities in the planning and delivery of regional development programmes.

Brussels, 27 January 2011.

The President
of the Committee of the Regions

Mercedes Bresso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	Local and regional government in Azerbaijan and the development of cooperation between Azerbaijan and the EU
Reference(s)	
Legal basis	TFEU 307 (4)
Procedural basis	Rule 39b and 42 of the Rules of Procedure
Date of the referral	-
Date of the referral by the Bureau	13 April 2010
Competent Commission	Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
Rapporteur	Cllr Gordon Keymer, Member of Tandridge District Council (UK/NI)
Background memo	19 July 2010
First reading by the Commission	13 December 2010
Date of adoption by the Commission	13 December 2010
Vote outcome	Majority
Date of adoption by the plenary session	27 January 2011
Previous CoR opinions on this subject	<ul style="list-style-type: none">– Opinion of 22 April 2009 on <i>The role of local and regional authorities within the Eastern Partnership</i> (CdR 78/2009¹).– Opinion of 9 October 2008 on <i>A strong European Neighbourhood Policy</i> (CdR 134/2008²)– Opinion of 7 February 2008 on the <i>Black Sea synergy initiative</i> – (CdR 155/2007³);– Opinion of 11 October 2007 on <i>Local and regional government in Ukraine</i> (CdR 34/2007⁴).– Opinion of 14 April 2005 on the <i>Communication from the Commission – European Neighbourhood Policy – Strategy Paper</i> COM(2004) 373 (CdR 336/2004⁵)

1 OJ C 200, 25.8.2009, p. 31.

2 OJ C 325, 19.12.2008, p. 87.

3 OJ C 105, 25.4.2008, p. 46.

4 OJ C 305, 15.12.2007, p. 20.

5 OJ C 231, 20.9.2005, p. 58.