

**CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF)  
2015 - 2017**

**Theme V “Promoting Democratic Governance”  
Jointly implemented by DG II and the Congress of Local and Regional  
Authorities of the Council of Europe**

<b>Thematic programme V. 2: Strengthening institutional frameworks for local governance</b>	
<b>Geographical focus</b>	<b>Armenia, Georgia, Moldova, Azerbaijan, Belarus and Ukraine</b>
<b>Implementation period</b>	<b>2015 - 2017</b>
<b>Overall objective</b>	<b>V. 2: Strengthening institutional frameworks for local governance</b>
<b>Specific objectives</b>	<p><b>V.2.1. Support the ongoing process of reform of local government in participating countries;</b></p> <ul style="list-style-type: none"> <li>- Improving and streamlining legislative frameworks;</li> <li>- Increasing the efficiency, transparency and accessibility of local self-government and enhancing their capacity;</li> <li>- Incorporating best practices and implementing policy recommendations;</li> <li>- Increasing leadership capacities of local elected representatives;</li> <li>- Promoting effective provision of services to citizens, in particular through inter-municipal co-operation.</li> </ul> <p><b>V 2.2. Promote ethical behaviour by locally elected representatives in the region;</b></p> <ul style="list-style-type: none"> <li>- Strengthen the capacities of local authorities by promoting good governance, transparency, accountability and ways to prevent and combat corruption;</li> <li>- Foster citizens’ participation as a means to reinforce the accountability of local authorities.</li> </ul>

	<p><b>V. 2.3. Support the improvement of financial and human resources management of local administrations based on European standards and benchmarking processes.</b></p> <ul style="list-style-type: none"> <li>- Support central governments and local authorities in improving the situation of local finance through improved regulations, institutions and practice.</li> </ul>
<p><b>Expected results</b></p>	<p><b>V.2.1. Support the ongoing process of reform of local government in participating countries.</b></p> <p>V.2.1.1. Consistency of the legislative framework is improved and new by-laws are streamlined in at least three beneficiary countries and targeted recommendations are developed for the joint use;</p> <p><b>V 2.2. Promote ethical behaviour by locally elected representatives in the region.</b></p> <p>V.2.2.1. More efficient, transparent and ethical governance at local level is developed in at least three EaP countries;</p> <p><b>V. 2.3. Support the improvement of financial and human resources management of local administrations based on European standards and benchmarking processes.</b></p> <p>V 2.3.1. European standard local finance benchmarking tool is further developed and the adapted domestic versions are available.</p>
<p><b>Outcome indicators (3 year perspective )</b></p>	<ol style="list-style-type: none"> <li>1. Enhanced legal, policy and regulatory framework on local government in general and on inter-municipal co-operation (IMC) in particular, which is based on European best practice standards, is developed using CoE tools on IMC in at least <b>two beneficiary countries</b>;</li> <li>2. Recommendations on improved provision of services at local/regional level are prepared and submitted to the national authorities in at least <b>two beneficiary countries</b>, taking into account efficiency, sustainability and cost-effectiveness, including through improved IMC;</li> </ol>

	<p>3. Representatives of the central and local authorities from the beneficiary countries obtain an in-depth understanding of various steps relevant to improved IMC mechanisms (IMC ladder) and use the knowledge in their daily work;</p> <p>4. In at least <b>3 beneficiary countries</b> (Georgia, Moldova, Ukraine), the proportion of the Congress recommendations that are implemented is increased, particularly on decentralisation of competences, financial autonomy of local self-governance and citizens' participation;</p> <p>5. At least 60% of mayors, participants of the leadership workshops, reported that they use the knowledge and skills received during the leadership programme for mayors in their decision-making and daily activities;</p> <p>6. Joint regional projects among municipalities of different EaP countries are initiated through networking of local elected representatives from at least 4 EaP countries (<b>Armenia, Georgia, Moldova, Ukraine</b>);</p> <p>7. In at least 5 beneficiary countries (<b>Armenia, Azerbaijan, Georgia, Moldova, Ukraine</b>), dialogue with citizens and their involvement in public life and local decision-making is developed and set up in several municipalities;</p> <p>8. In at least 50% of municipalities that participated in the programme the compliance with public ethics standards by local elected representatives and staff has increased which results in increased citizens' confidence in their local elected representatives;</p> <p>9. Concrete recommendations on structured benchmarking and bench-learning approaches for all stakeholders, including central and local authorities themselves, are developed at the regional level, namely, as concerns local finance, as well as European standards of local finance benchmarking.</p>
<p><b>Baseline 2014 (State of Play)</b></p>	<p>All Eastern Partnership countries (except Belarus) are members of the Council of Europe and have to fulfil the commitments and obligations they undertook at the time of their accession. These countries signed and ratified the European Charter of Local Self-Government, which was opened</p>

for signature on 15 October 1985, and entered into force in 1988.

The Charter has been ratified by all 47 Member States of the Council of Europe (Moldova – 1996, Ukraine – 1996, Armenia – 2001, Azerbaijan – 2001, Georgia – 2004). The Additional Protocol on the participation of citizens in the conduct of public affairs, opened to signature in 2009, has been ratified by Armenia in 2013 and signed by Ukraine in 2011. The establishment of a transparent, reliable and efficient local self-government system is one of commitments undertaken by the EaP countries, in particular for the countries which have signed in 2014 the Association Agreements with the EU (Georgia, Moldova and Ukraine), and is also of utmost importance for the European Union (the EU). Meeting these requirements entails local elected representatives with improved knowledge of the European standards on local and regional democracy, enhanced leadership capacities, sufficient human resources and qualified staff, adequate and modern equipment, improvement and acceleration of proceedings and other relevant measures.

The reform of the LSG has been announced as a priority for most beneficiary countries of the region in the last decade. The CoE has assisted some of their governments with reviewing their legal frameworks on the LSG with a view to increasing its compatibility with relevant European standards and facilitating the fulfilment of the commitments they undertook.

The Congress conducts regular monitoring of the situation of local democracy in member states on the basis of their commitments and legal obligation; and on the basis of these findings the Congress adopts recommendations which are addressed to the national authorities with a view to improve the overall governing system. It maintains a regular political dialogue with all levels of governance in the relevant countries to support them in the implementation of the recommendations.

Concerning **Armenia, Azerbaijan, Georgia, Moldova** and **Ukraine**, monitoring activities and observation of elections have been carried out in each country since 2010 and led to the adoption of recommendations. The reports underline the efforts and the progress that have been made through reforms in the local self-government systems. However, the reports also underline a number of (common) challenges that remain to be addressed:

- the systems of local governance lack a clear definition of the respective

	<p>competences of local and central authorities;</p> <ul style="list-style-type: none"> <li>- very limited financial and fiscal autonomy of local authorities;</li> <li>- it is difficult for local units to provide efficient and high quality services to their citizens given the lack of adequate resources which also reduces their capacity to hire skilled staff.</li> </ul> <p>In addition, further support for the development of leadership capacities of elected representatives, an increasing public awareness of the European standards on local democracy and citizen participation, and anticorruption policies are necessary. Among recommendations of the monitoring reports there is a call to sign and ratify, in the near future, the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority.</p> <p>The reform of the LSG has been announced as a priority in most of the beneficiary countries of the region in the last decade. The CoE has assisted some of their governments with reviewing their legal frameworks on the LSG with a view to increasing its compatibility with relevant European standards and facilitating the fulfilment of the commitments they undertook. In-line with the EU Eastern Partnership Public Administration Panel’s and bilateral CoE Action Plans’ objectives, the Project will mobilise both political and technical expertise and experience from all participating beneficiary and contributing countries and provide specific results for shared use.</p>
<p><b>Output indicators 1<sup>st</sup> year</b></p>	<ul style="list-style-type: none"> <li>- Major stakeholders at regional level agree on general legislative framework that needs revision and concrete steps on revision of the by-laws are agreed upon in at least two beneficiary countries;</li> <li>- Legislative framework for inter-municipal co-operation (IMC) is discussed with the regional stakeholders and agreement to proceed to concrete steps reached in at least two beneficiary countries, based on best European practice and CoE tools on IMC;</li> <li>- Stakeholder- and gender-balanced working groups are operational in at least two countries in order to start revising the legislative framework to improve provision of services at local / regional level takes into account efficiency, sustainability and cost-effectiveness, including through IMC;</li> <li>- Locally elected representatives from all EaP countries as well as representatives from the central governments, national associations</li> </ul>

	<p>and civil society organisations take an active part in the regional conference at which targeted recommendations for national, regional and local authorities for improvement of situation with local democracy in the region are elaborated;</p> <ul style="list-style-type: none"> <li>- At least 80% of participants of the seminar from Belarus report increased awareness on local democracy standards and at least 50% of them report that they are ready to promote the principles of the European Charter of Local Self-Government in their local communities;</li> <li>- A comparative study on roles and duties of mayors and councillors in the EaP countries provides clear picture of legislative and practical gaps for effective implementation of their responsibilities in their respective countries in line with the principles of local democracy. The comparative study is disseminated and discussed during the launching conference;</li> <li>- At least 3 workshops “Mayors, leaders for change” are organised and at least 60 local elected representatives from Armenia, Georgia and Moldova (or Ukraine following local elections) improve their leadership and communication skills;</li> <li>- The major regional stakeholders are acquainted with the European standard local finance benchmarking tool and working structure is operational for bilateral consultations on legal, institutional and organisational framework in view of its further developing and adapting to domestic legislation;</li> <li>- Regional formal working group/structure and plans are established to assess financial regulations, institutions and management practices.</li> </ul>
<b>Budget allocation to the thematic programme /sub-priority area (in euros)</b>	<b>€ 2 570 000</b>
<b>Actions to be implemented within thematic programme V.2.:</b>	
<b>Title of the Action 1</b>	<b>Regional dimension for 6 EaP countries</b>
<b>Description</b>	<p><b>Expected results</b></p> <p><b>Output indicators 1<sup>st</sup> year</b></p> <p><i>(Please see output indicators for thematic programme)</i></p>

<b>Activities (1<sup>st</sup> year)</b>	<ol style="list-style-type: none"> <li>1. Comparative study on roles and responsibilities of the mayors in the EaP countries;</li> <li>2. 3 Steering Committee meetings;</li> <li>3. Introductory conference to present the Comparative study, standards on local democracy;</li> <li>4. 2 Regional Conferences;</li> <li>5. 4 Study visits;</li> <li>6. 3 country-based leadership workshop in 3 EaP countries (Armenia, Georgia, Moldova or Ukraine);</li> <li>7. 2 Visibility actions;</li> <li>8. 6 Round tables;</li> <li>9. Awareness raising seminar in Belarus;</li> <li>10. 6 Working Sessions;</li> <li>11. First regional workshop to initiate the process of setting up a community of local elected representatives/trainers/experts on local democracy;</li> <li>12. 5 Peer-to-Peer evaluations and legal expertise;</li> <li>13. Country-specific studies and publications;</li> <li>14. 4 Training courses.</li> </ol>
<b>Outcome indicators</b>	<i>(Please see outcome indicators for thematic programme)</i>
<b>Impact on final beneficiaries</b>	<p>Citizens have access to local decision-making processes through specific tools and influence the way local authorities exercise their powers and responsibilities.</p> <p>Local public resources are used in more transparent and effective manner.</p> <p>The legal framework for local self-government is improved in line with European standards and good practices. Citizens received better quality and more accessible services.</p> <p>Increased capacities of local government to function in a democratic, autonomous manner and to exercise public authority efficiently will lead to offering public services adapted to the expectations of their citizens and improvement of investment climate and local economic growth.</p>
<b>Baseline 2014 (State of Play)</b>	<i>(Please see baseline for thematic programme)</i>
<b>Relevance with EU Action Plan, EU Association Agreement, EU Association Agenda and EU Visa</b>	Ukraine, Moldova and Georgia signed the Association Agreements with the EU in 2014. The agreements provided for privileged relations between the respective countries and the EU in specific areas of development, and for

<p><b>liberalisation Agenda</b></p>	<p>the consolidation and increasing of the stability and effectiveness of democratic institutions. It requires the respective countries to implement reforms and respect democratic principles, human rights and rule of law. Enhancing local democracy and a proper functioning of the system of local self-governance is an integral part of these objectives.</p> <p>Democracy, including legislative and administrative reforms, is also one of the priority areas for the EU relations with Azerbaijan and Armenia in the ENP Action Plans (adopted in 2006).</p> <p>The Project is highly relevant to EU Action Plans with Armenia and Azerbaijan and EU Association Agreements with Georgia, Moldova and Ukraine, notably as regards objectives relevant to strengthening democracy and to political, economic and institutional stability, legislation improvement in the area of Public Administration including through the approximation of its legislation to that of the EU and promoting cross-border co-operation and good neighbourly relations. The improvement of legislative framework and capacity of local and regional authorities also contributes to the objective of establishing conditions for enhanced economic and trade relations leading towards the beneficiary countries' gradual integration in the EU Internal Market. In this context, it will build solid foundations for further economic integration based on the adoption and implementation of rules and regulations at central and local levels with the potential to enhance investment and growth and, thus, contributes to the objective of helping to devise and implement policies and measures to promote economic growth and social cohesion, to reduce poverty and to protect the environment, thereby contributing to the long-term objective of sustainable development.</p>
<p><b>Implementation period</b></p>	<p><b>3 years</b></p>
<p><b>Explanation as to which extent the thematic programme V.2. responds to a country/regional need (i.e.:</b></p> <ul style="list-style-type: none"> <li>- has a prior needs' assessment being undertaken?</li> <li>- to which national priorities/policies it responds to?</li> <li>- which stakeholders have been</li> </ul>	<p>This project is elaborated according to the needs expressed by the national authorities of beneficiary countries and in compliance with the recommendations adopted by the Congress following its monitoring activities and observation of elections. The Congress carried out recent monitoring visits and post-monitoring dialogue on local and regional democracy in all of EaP countries (except Belarus which is not CoE member state) during last 2 years (Ukraine – 2013, Georgia -2013, Azerbaijan - 2012, Moldova – 2012, Armenia - 2014).</p> <p>Moreover, local democracy is an integral part of the Council of Europe bilateral Action Plans agreed with all EaP CoE member states.</p> <p>The national governments of most EaP countries have defined</p>



<p><b>consulted ?</b></p>	<p>decentralisation and local self-government reform as a priority area. Some reform efforts are being undertaken but challenges to the proper implementation and weak capacity of local authorities remain.</p> <p>In terms of methodology, this is not a typical technical assistance or capacity-building project. It is a multilateral exercise and the emphasis will be on expertise, best practice sharing of experiences and exchange of views. Special emphasis will be put on problems that are similar to most of the beneficiary countries, as many of them are closely linked and should be addressed by using a comprehensive approach. The Project will provide a flexible forum for discussing among the participating countries the concrete implications of the standards, drawing on relevant expertise and experience and extracting key findings and applicable European lessons learnt for shared use.</p> <p>Given the high number of participating countries, the Project will be co-ordinated from the CoE Headquarters in Strasbourg. The principal beneficiaries will be the Ministries responsible for LSG, local and regional authorities, associations of local and regional authorities, professional associations, etc.</p> <p>The Projects stakeholders also include NGOs in the beneficiary countries, and the public in general.</p>
<p><b>List of EU bilateral and CoE – implemented projects with which complementarity has been ensured</b></p>	<p>The Project will fully align and co-ordinate its activities with the work of the respective Eastern Partnership’s Panel ambition and the topics that it would be covering. The results will be shared and disseminated within the Eastern Partnership framework (e.g. CORLEAP and Civil Society Forum), in particular in co-operation with the Committee of the Regions of the European Union.</p> <p>In this spirit, the on-going CoE funded projects currently implemented in Ukraine and in Armenia devote particular attention to the assessment of the relevant institutional frameworks, the support to LSG reforms, the provision of capacity-building support both to local elected representatives and to administrative staff and Best Practice exchange.</p> <p>Hence, complementarity will be sought with activities implemented within the Council of Europe Action Plans for Armenia, Azerbaijan, Georgia Moldova and Ukraine which also comprise a thematic area “local</p>

	<p>democracy”, with specific objectives.<sup>1</sup></p> <p>The implementation of these projects together with monitoring and post-monitoring activities gives the CoE the necessary knowledge of the situation and the problems, as well as the successes, in the beneficiary countries.</p>
<p><b>Risk analysis/risk mitigation measure</b></p>	<p><b>Risks</b></p> <ol style="list-style-type: none"> <li>1. Lower priority given to reform as the territorial integrity of the EaP countries is currently at certain risk;</li> </ol> <p style="padding-left: 40px;">Halted development of LSG due to multiple actors’ specific interests and lack of political commitment;</p> <ol style="list-style-type: none"> <li>2. The national co-ordinators/partners and other beneficiary institutions may not co-operate and co-ordinate their work sufficiently to produce optimal results from the Project activities and publications;</li> <li>3. While the interest in the Project’s activities should be strong, there is a risk of insufficient readiness of the participants to take the new methods on board and further implement them.</li> </ol> <p><b>Mitigation measures</b></p> <ol style="list-style-type: none"> <li>1. The political situation will be closely monitored and relevant CoE political channels used;</li> <li>2. Regular meetings are held with the national co-ordinators/partners and the beneficiary institutions, in order to assess progress. Ensure that the appropriate remedial actions are taken by all parties;</li> <li>3. A widespread and intensive campaign to implement recommendations, with clear instructions and solid control of</li> </ol>

<sup>1</sup> the CoE Action Plan for Armenia 2012-2014,; the Council of Europe Action Plan for Azerbaijan 2014-2016; the CoE Action Plan for Georgia 2013-2015; the CoE Action Plan for Ukraine 2011-2014; the CoE Action Plan to support democratic reforms in the Republic of Moldova; the CoE Activities for Belarus in 2014-2015,

	implementation by national partners.
<p><b>Assessment foreseen for thematic programme</b></p> <p><b>Monitoring arrangements for the Actions</b></p>	<p>The project will be supervised by the Centre of Expertise for Local Government Reform - Department of Governance and Institutions (Directorate General of Democracy) and the Congress of Local and Regional Authorities of the CoE in Strasbourg which will ensure that reports are prepared and submitted as required.</p> <p>A monitoring and evaluation plan will be developed for each action with the purpose of analysing the progress of the project in relation to the outcomes, outputs and impact as stated in the logical frameworks of the projects.</p> <p>The actions will collect data and monitor the following developments:</p> <ul style="list-style-type: none"> <li>- Timely delivery of the actions;</li> <li>- Achievement of results as they are formulated in outcomes and outputs;</li> <li>- Achievements with regard to the cross-cutting themes of the projects,</li> <li>- Changes in the actions' implementation as a consequence of the monitoring of risks.</li> </ul> <p>After the data has been collected and analysed, the actions will provide further evaluations from the point of view of relevance of the achieved results to the project objectives and the project context, effectiveness and efficiency of project implementation, sustainability of project results.</p> <p>The <u>timely delivery of the activities</u>, as well as their relevance to the objectives and to the actions' implementation work plans will be followed through the global Council of Europe's Activities Database (CEAD). In addition, the system of reporting established between the donor and the project will reflect progress in the timely implementation of project activities, analysis of deviations from the original implementation plans, and proposals for action.</p> <p>Monitoring and evaluation activities are aimed at training progress towards the <u>achievement of the desirable change</u>, i.e. a result.</p> <p>The quantitative progress will be measured with the help of objectively verifiable indicators in the logical frameworks for each group of results. The analysis of the actions' impact, outcomes and outputs in terms of quantity will be recorded through two corresponding monitoring matrices</p>

	<p>– for outputs and activities and for outcomes and impact.</p> <p>Conclusions about the qualitative results will be drawn by the implementation teams and then discussed with the Actions' steering committees and the relevant working groups under the projects.</p>
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