

## 31st SESSION

CPL31(2016)05final

20 October 2016

## Local democracy in Cyprus

Monitoring Committee

Rapporteurs:<sup>1</sup> Bernd VÖHRINGER, Germany (L, EPP/CCE)  
Randi MONDORF, Denmark (R, ILDG)

Recommendation 389 (2016) .....	2
Explanatory memorandum .....	5

### Summary

This report concerning the monitoring of local democracy in Cyprus is the third since the country ratified the Charter in 1988. The report notes with satisfaction the decision of the Republic of Cyprus to accept, on 26 October 2003, to be bound by Article 5 of the Charter. It also underlines the political commitment of the Cypriot Government in favour of the participation of citizens in local public affairs and also welcomes the signature and ratification of the Additional Protocol to the European Charter of Local Self-Government (CETS No. 207) by the Republic of Cyprus. However, the rapporteurs express certain concerns regarding the weakness and imprecision of the legislative basis for the powers of local authorities and the conditions under which they are exercised, as well as a lack of constitutional safeguards for the principle of local self-government and the status of local authorities. The rapporteurs also noted that there is strong government supervision over the exercise of the regulatory powers of local authorities, over their human, administrative and budgetary resources, and in particular over small communities. The Cypriot authorities are therefore urged to reduce their supervision over local government. It is also recommended that the Government clearly recognise the legislative status and, if possible, the constitutional status of local authorities, as well as the principle of self-government for all local authorities; strengthen the legislative basis for the position of both municipalities and rural communities as essential institutions; assign substantial powers and responsibilities to local authorities; determine precisely, by way of legislation, which administrative authorities are empowered to exercise legal supervision over municipalities; limit all kinds of central government supervision over local authorities to an *a posteriori* control; allocate adequate financial resources to local authorities and establish a transparent and predictable calculation method for central grants to local authorities. Lastly, the report calls on the Cypriot authorities to ensure the direct applicability of the European Charter of Local Self-Government within the domestic legal system.

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 and Liberal Democrat Group  
ECR: European Conservatives and Reformists Group  
NR: Members not belonging to a political group of the Congress

## RECOMMENDATION<sup>2</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](#) relating to the Congress, which provides that one of the aims of the Congress shall be “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2, paragraph 3 of Statutory Resolution [CM/Res\(2011\)2](#) relating to the Congress, 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;

d. the appended explanatory memorandum on local democracy in Cyprus.

2. The Congress notes that:

a. The Republic of Cyprus acceded to the Council of Europe on 24 May 1961. Cyprus signed the European Charter of Local Self-Government (ETS no. 122, hereafter “the Charter”) on 8 October 1986, and then ratified the Charter on 16 May 1988 which entered into force on 1 September 1988. Since the ratification of the Charter, the Republic of Cyprus has not considered itself bound by article 7 para. 2;

b. Cyprus acceded to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (CETS No. 106) on 18 December 2013. It acceded to the three Additional Protocols to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (CETS No. 159, 169 and 206) on 17 April 2014. Cyprus has also signed and ratified on 28 September 2012 the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207);

c. the Monitoring Committee decided to review the situation of local democracy in Cyprus in the light of the Charter. It appointed Mr Bernd Vöhringer, Germany (L, EPP/CCE) and Ms Randi Mondorf, Denmark (R, IDLG) as co-rapporteurs. They were tasked with drawing up a report on local democracy in Cyprus and submitting it to the Congress;<sup>3</sup>

d. the monitoring visit took place from 5 to 7 April 2016. During the visit, the Congress delegation met with representatives of various political institutions such as the Ministry of Finances, the Ministry of the Interior, the President of the Supreme Court, the State Audit Office, the Office of the Ombudsman and the local authorities of the Capital City of Nicosia, the Kokkinotrimithia Community and the municipalities of Ayios Dhometios and Paphos. The detailed programme of the visit is appended;

e. the delegation wishes to thank the Cypriot authorities at central and local level as well as the Cypriot delegation to the Congress and the national associations of local authorities and all the persons met during the visit for their readiness to assist and the information they supplied. The delegation also thanks the Ambassador of Cyprus to the Council of Europe who contributed to the organisation and smooth running of the visit.

---

<sup>2</sup> Debated and approved by the Chamber of Local Authorities on 20 October 2016 and adopted by the Congress on 21 October 2016, 3rd sitting (see document CPL31(2016)05final, explanatory memorandum), rapporteurs: Bernd VÖHRINGER, Germany (L, EPP/CCE) and Randi MONDORF, Denmark (R, IDLG).

<sup>3</sup> They were assisted by Mr Zoltan Szente, member of the Group of Independent Experts on the European Charter of Local Self-Government, and the Congress Secretariat.

3. The Congress notes with satisfaction:

a. the decision of the Republic of Cyprus to accept on 26 October 2003 to be bound by Article 5 of the Charter and to withdraw subsequently its declaration over this article in full accordance with the spirit of the Charter;

b. the signature and ratification by the Republic of Cyprus of the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority which illustrate a political commitment toward the participation of citizens in local public affairs.

4. The Congress expresses its concern at:

a. the weakness and imprecision of the legislative basis for the powers and responsibilities of local authorities and for the conditions under which they are exercised as well as the absence of constitutional safeguards for the principle of local self-government and the status of local authorities (Articles 2, 4.2, 7.1, 7.3 and 9.2);

b. the fact that only minimal responsibilities are conferred by the relevant law to local authorities and particularly the lack of genuine local government functions that can be exercised fully and exclusively (art. 3.1 and 4.4);

c. the importance of government supervision on the exercise of the regulatory powers of local authorities and on the personnel, administrative and budgetary resources, and the current lack of clarity over the administrative authorities entitled to exercise such supervision over municipalities (Articles 8, 6.2 and 9.6);

d. the inadequacy of resources available to local authorities to exercise their powers, leading to a dependency on the State, in particular in the case of small communities (Articles 6.2, 9.4 and 9.5), as well as the differences between the municipalities and communities with regard to their personnel and other technical resources (Article 6.2);

e. the weak legal status of the Charter in the domestic legal system of Cyprus and, particularly, the absence of direct applicability of its ratified provisions.

5. In the light of this, the Congress asks the Committee of Ministers to invite the Cypriot authorities to:

a. provide clear recognition of the legislative and, if practicable, the constitutional status of local governments as well as the principle of self-government for all local authorities in order to strengthen their substantial role in regulating and administering local public affairs and to regulate the legal standing of local councillors allowing the free exercise of their functions;

b. strengthen the legislative basis of both the position of municipalities and communities as essential institutions and their substantial role in regulating and administering local public affairs and regulate the legal standing of the elected members of local councils to allow the free exercise of their functions;

c. assign substantial powers and duties to local authorities so that they can exercise them fully and exclusively in practice and, in accordance with the principle of subsidiarity, define the relevant tasks as genuine local government functions;

d. determine precisely, by way of legislation, which administrative authorities are empowered to exercise legal supervision over municipalities;

e. limit every kind of government supervision over local governments to an *ex post* control of legality of the operation and regulation of the municipalities and communities, and relinquish the power of government to give prior consent to the budget of each local government;

*f.* draw up legislation setting out formally the procedures for consulting local authority representatives and national local government unions to ensure that they are effectively consulted, that is in due time and in an appropriate manner, on all questions concerning those authorities directly, in particular on financial questions;

*g.* provide adequate financial resources for local authorities which should be commensurate with their responsibilities and which they may dispose of freely within the framework of their powers;

*h.* establish a transparent and predictable method to calculate central grants to local authorities based on a careful assessment of local needs and introduce a financial equalisation mechanism between local authorities;

*i.* ensure the direct applicability of the European Charter of Local Self-government within the domestic legal system and in particular, that the Charter be given due consideration in court proceedings.

6. The Congress calls on the Committee of Ministers to take account of this recommendation on local democracy in Cyprus and the accompanying explanatory memorandum in its activities relating to this member State.

## EXPLANATORY MEMORANDUM

### Table of contents

1.	Introduction .....	6
2.	General data and political context.....	7
3.	Constitutional and legislative bases of local government .....	7
4.	Administrative division of Cyprus .....	8
4.1	Administrative districts .....	8
4.2	Municipalities.....	9
4.3	Communities .....	10
5.	Main powers and responsibilities of local authorities .....	10
6.	Organisational structure and decision-making process of local authorities .....	12
7.	Local government finance .....	13
7.1	General data and basic principles of local government finance .....	13
7.2	Local government budgets.....	14
7.3	Local revenues.....	15
7.3.1	Local and shared taxes .....	15
7.3.2	Borrowing .....	16
7.3.3	Other local resources .....	16
7.4	Central grants.....	16
7.5	Financial equalisation .....	17
8.	Central–local government relations and the procedure for consultations between central and local authorities .....	18
8.1	Central government control over local authorities .....	18
8.2	Consultation with local authorities; local government associations .....	18
9.	Analysis of the situation of local democracy on an article by article basis .....	18
9.1	Principle and concept of local self-government (Articles 2 and 3).....	18
9.2	Scope of local self-government (Article 4) .....	19
9.3	Protection of boundaries (Article 5).....	21
9.4	Administrative structures (Article 6) .....	21
9.5	Exercising responsibilities and government supervision (Article 8).....	22
9.6	Financial resources (Article 9) .....	23
9.7	Rights to associate and legal protection of local governments (Articles 10 and 11) .....	25
9.8	Undertakings – reservations formulated by States (Article 12) .....	25
10.	Conclusions and proposals .....	26
	Appendix 1 – Programme of the Congress monitoring visit to the Republic of Cyprus .....	28

## 1. Introduction

1. Cyprus signed the European Charter of Local Self-Government (hereinafter "the Charter") on 8 October 1986, and ratified it on 16 May 1988. The Republic of Cyprus does not consider itself bound by paragraph 2 of Article 7 of the Charter. The country signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No.: 207) in 2011, ratified it on 28 September 2012 and it came into force as regards Cyprus on 1 January 2013. It also signed in 2011 and ratified on 18 December 2013 (entry into force on 19 March 2014) the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (CETS No.: 106) , along with its Additional Protocol (CETS No. 159) and Protocol No 2 (CETS No. 169), which it signed on 8 September 2011 and ratified on 17 April 2014, making them enter into force for Cyprus on 18 July 2014. Finally, Cyprus signed Protocol No. 3 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euroregional Co-operation Groupings (ECGs) (CETS No. 206), on 8 September, 2011, and ratified it on 17 April, 2014. The Protocol No 3 entered into force on 1<sup>st</sup> August, 2014.

2. According to Article 2, paragraph 3 of Statutory Resolution (2011)2 of the Council of Europe Committee of Ministers, the Congress of Local and Regional Authorities (hereinafter referred to as "the Congress") prepares reports on a regular basis on the state of local and regional democracy in all Member States of the Council of Europe.

3. Up to now, two monitoring reports and Congress recommendations have been made on Cyprus, the first one in 2001 (Recommendation 96 (2001)1 on local democracy in Cyprus, and the one second in 2005 (Recommendation 178 (2005) on local democracy in Cyprus.

4. Pursuant to the revised Resolution 307 (2010), the monitoring procedure must be carried out every five years in each Council of Europe Member State having signed and ratified the European Charter of Local Self-Government.

5. In order to prepare a new and complete monitoring report, the Monitoring Committee appointed a delegation, which consisted of two co-rapporteurs, Mr Bernd Vöhringer, (Germany, L, EPP/CCE<sup>4</sup>), rapporteur on local democracy and Ms Randi Mondorf (Denmark, R, ILDG<sup>5</sup>), rapporteur on regional democracy. They were assisted by Prof. Zoltán Szente, member of the Group of Independent Experts on the European Charter of Local Self-Government, and the secretariat of the Monitoring Committee.

6. The monitoring visit took place between 5 and 7 April 2016, providing opportunity for the rapporteurs of the Congress to meet the Minister of Finance, as well as the senior officials of the Ministry of the Interior. The Delegation also met members of the national associations of local authorities (the Union of Cyprus Municipalities and the Union of Cyprus Communities), members of the National Delegation of Cyprus to the Congress, the President of the Supreme Court, the Ombudsman, and the Auditor General as well as leading officials of the Audit Office, the mayor and the deputy mayor of the capital city Nicosia, of Ayios Dhometios and of Paphos, and the President of the community of Kokkinotrimithia. The rapporteurs regret that they did not have the opportunity to meet the members of the House of Representatives. The detailed programme is in appendix of the present report.

7. The rapporteurs wish to thank the Cypriot authorities and the representatives of national associations of local authorities, and all those whom the delegation of the Congress of the Council of Europe met on the visit for their readiness to assist the delegation and for the information they so willingly provided.

8. This report has been prepared on the basis of the information and data collected during the monitoring visit, and received from the host institutions and Cypriot counterparts of the delegation (for the used data and written documents see Appendix 2).

---

4 EPP/CCE: European People's Party Group in the Congress.

5 ILDG: Independent LiberalDemocrat Group in the Congress.

## 2. General data and political context

9. The Republic of Cyprus is an island country in the Eastern Mediterranean Sea, not far from Syria and Turkey. Its capital city is Nicosia (*Lefkosia*), the last divided capital in Europe. The population of the municipal area of Nicosia is about 55.000 people (the population of the greater urban area is about 239,277 inhabitants<sup>6</sup>). Most government buildings are seated in the capital city. Cyprus has been divided since the Turkish invasion in 1974. The Republic of Cyprus cannot execute its sovereignty in the northern part of the island. This report focuses on the situation in the areas controlled by the Government of the Republic of Cyprus.

10. According to the 2011 census, the total population of Cyprus is of 1,133,803 inhabitants, from which 838,897 are in the government-controlled area of the Republic of Cyprus and 294.906 in the non-government controlled area (2011 population census). The total population of Cyprus was estimated to be 1,172,071 people in 2015. The country has a multi-ethnic society in the following distribution: Greek Cypriots 77%, Turkish Cypriots 18.3%, Armenian-Georgians 0.9%, Roman Catholics and Maronites 0.5%, and about 10.500 persons of Russian origin.

11. Cyprus became an independent country in 1960 when it ceased to be a British Colony. In the same year was adopted the Constitution establishing the Republic of Cyprus as a sovereign state. The major aims of the new constitutional rules were not only to institutionalize the traditional system of the separation of powers, but also to establish a complex power-sharing between the Greek Cypriots and the Turkish Cypriots communities.

12. Cyprus has a form of government that is a presidential republic. The head of state is the President who is directly elected for a five-year term of office and must be elected by an absolute majority of voters. He is also the chief of the Council of Ministers whose members he/she appoints and dismisses. Currently there are eleven ministries.

13. The legislative power is exercised by a unicameral parliament (House of Representatives, *Βουλή των Αντιπροσώπων*) which is elected by universal, direct, secret vote for a five-year term of office. All citizens over the age 18 have a suffrage. In Cyprus, the participation in parliamentary elections is compulsory for voters. According to the Constitution, the House of Representatives has 80 MPs, out of which 56 seats are reserved to the Greek Cypriot Community to which Armenians, Latins and Maronites belong also, according to the constitutional provisions. 24 seats are allocated to the Turkish Cypriot Community.

14. The judicial power is exercised by courts. In Cyprus, there is a two-level judicial system where several different types of courts decide at first instance, while the Supreme Court has an appellate jurisdiction. The Supreme Court has the power also to review the constitutionality of statutes and other legal norms.

15. Cyprus has been a member of the Council of Europe since 1961 and joined the European Union in 2004.

## 3. Constitutional and legislative bases of local government

16. The Constitution of 1960 recognises local authorities only in an indirect way requiring, on the one hand, that separate municipalities must be established in the five largest towns of the Republic, namely in Nicosia, Limassol, Famagusta, Larnaca and Paphos for both the Greek and the Turkish communities, and, on the other hand, among the incompatibility rules (e.g. certain public offices, like the President of the Republic or Ministers may not be in parallel members of any municipal council).

17. In fact, the subject of the Constitution was not to lay down the very basic rules of local government, but rather, to regulate the relationship between the Greek Cypriots and Turkish Cypriots Communities providing that the composition of municipal organs must be based on proportional representation of the two communities. The Constitution provides also separate taxation at local level for the two communities, as well as separate responsibilities for issuing licences or permits relating to premises, places or building operations, or establishing town planning.

---

<sup>6</sup> According to the census of 1 October 2011.

18. However, owing to the conflicts of the two communities, which broke out in 1963, the constitutional provisions guiding the relationship between the Greek Cypriots and Turkish Cypriots remained dead letters of the Constitution. Already before the Turkish invasion, the representatives of the Turkish Cypriots community had not participated in the work of the constitutional bodies. In this situation, in order to enable the state to exist and the public bodies to function, the so-called “doctrine of necessity” has been invoked empowering the Greek Cypriot members of Parliament to adopt laws.

19. The legal and administrative status of municipalities is regulated by the Law No. 111 of 1985 on Municipalities (hereinafter: Municipalities Law). This law has been amended more than fifty times since its entry into effect and it is under total revision now (for the most significant planned changes see below). The legal status, organisational matters and the major tasks and functions of the communities are regulated by the Communities Law of 1999 (No 86) which has also been many times amended. Besides these laws, some other statutes determine also mandatory tasks for municipalities and communities.

20. In theory, all displaced municipalities and communities have preserved their local government status, and they are located outside the government-controlled area.

21. Local elections of all mayors and members of local councils are held every five years, on a date determined by the Minister of Interior, in accordance with the law. A proportional voting system is used for local elections, where the participation (similarly to the parliamentary elections) is compulsory for citizens. The candidates may stand for local elections either as party members or independent candidates. All mayors are elected directly. It is to be noted that the nationals of other European Union Member States may have a right to vote at local elections if they have attained the age of 18 years and are registered in the electoral list as local inhabitants. All those registered voters who are over 25 years old, are eligible to be elected as a mayor or councillor.

#### **4. Administrative division of Cyprus**

##### **4.1 Administrative districts**

22. Cyprus has a unitary structure with a one-tier local government system. However, the territory of Cyprus is divided into six administrative districts named after their seat municipalities: Famagusta, Kyrenia, Larnaca, Limassol, Nicosia and Paphos. In fact, these are (state) administrative regions subordinated to the central government. They are headed by District Officers, who are senior civil servants and appointed by the Government. The major function of District Officers is to coordinate the activities of central ministries in their area of jurisdiction, under the direct control of the Ministry of the Interior.

23. Although there is a one-tier local government system in Cyprus, local authorities have two types: municipalities (mainly in towns over 5,000 inhabitants) and communities (for rural areas). They have different legal and administrative status and partly different range of powers and responsibilities.





#### 4.2 Municipalities

24. At the moment, there are 30 municipalities (39 together with the municipalities of the northern part). These municipalities are regarded as “displaced” ones in the sense that they continue to maintain their legal status, although their mayors and councils have “temporarily” been displaced. It should also be noted that other municipalities as well and communities which are under the governmental control of Cyprus suffer from an inability to exercise their competencies over their entire area of jurisdiction. They are located along the division line, which entails that these parts either fall into the Northern part, or into the buffer zone.

25. Despite the fact that Nicosia, the capital city, the most important political, economic and cultural centre has a distinguished place in the country, it does not have a special administrative status. The Municipality of Nicosia is one of the municipal governments, even if it has – together with other regional centres like Limassol, Larnaca and Paphos – some additional functions delegated by the central government. Nicosia, Limassol, Larnaca and Paphos are planning authorities.

26. Each municipality is a legal person of public law, which means that they may sue and be sued under their own name and interest.

27. According to the Municipalities Law, new municipality can be established in a town, a village, or a group of towns or villages having a population of over five thousand inhabitants, if the Council of Ministers, after the consent of the local population in a plebiscite for this purpose, certifies that such an area has the financial capacity to function adequately and efficiently as a municipality. For this aim, the population of the affected area may turn to the Government for approving and calling a local plebiscite. If the majority of votes support the establishment of the new municipality, the Council of Ministers issues an order accordingly.

28. It is worth noting too that any municipality, if its population falls below 4,000 inhabitants in three consecutive years, may be abolished (and become a commune). The abolishment of any municipality must be ordered by the Council of Ministers.

29. Under certain conditions laid down by the Municipalities Law, two or more municipalities or villages may merge into a larger local government unit. For this purpose, the affected local authorities may apply to the Minister of Interior for the approval of their amalgamation. The amalgamation process may also be initiated by the Minister, if he/she considers that the merger of a municipality or a village with its neighbouring local authority is “desirable”. In whatever way the process has been started, the popular consent of the affected local authorities is needed by a local plebiscite. The Council of

Ministers approve of such mergers provided that plebiscites are successful. The relevant order of the Government may comprise supplementary instructions that are considered necessary for the effective implementation of the amalgamation.

30. On the application of the affected municipalities, and after hearing their views, the Council of Ministers may order the redefinition, alteration, extension or diminution of the municipal boundaries.

#### **4.3 Communities**

31. As it was discussed above, the creation and functioning of the communities is governed by the Communities Law of 1999. Today, 492 communities exist, 350 of which are located in the government-controlled area. Although the communities have more or less the same functions as the municipalities, there are a number of small communities which cannot work without external assistance.

### **5. Main powers and responsibilities of local authorities**

32. According to the Municipalities Law, municipalities have general competence, which means that they may administer all local affairs and may exert all powers vested in them by law. Local government powers and duties are exercised by the council and the mayor. In spite of this provision of the law on the general competence of local governments in local matters, the same law specifies the main compulsory tasks and functions of municipalities. Tasks and powers which are not enumerated in this list or in other laws belong to the responsibilities of administrative agencies of the central government.

33. The Municipalities Law confers the task of town planning to the municipalities. In Cyprus, this power includes the issuance of planning permits. However, the power of town planning appears to be a delegated state administrative duty, because, as the law declares, a municipality may exercise any town planning powers “which may be transferred to it by the Minister”. In this context, the Minister has delegated his power regarding the issuing of planning permits for certain developments to the municipalities of Nicosia, Limassol, Larnaca and Paphos. All municipalities, however, have competency to issue building permits, according to the Streets and Buildings Regulation Law.

34. Another major function of municipalities is water supply. Municipalities provide the construction, maintenance and operation of water supply systems of their own local community. In addition, they maintain the sewer and drain systems in the municipal area. Some municipalities have chosen to carry out these prerogatives on their own, as the law prescribes. In some of the major urban areas, however, these prerogatives are carried out by Water and Sewerage Boards – established by separate laws – which are administrated by a Council/Board comprised of elected officials (mayors and councillors) representing all participating municipalities.

35. Municipalities are in charge of road maintenance, construction of public roads and bridges, street lighting and cleaning of public domains.

36. They are also responsible for waste collection and disposal. They operate public cemeteries, baths, lavatories and other sanitary installations.

37. Some supervisory and regulatory powers of municipalities are also specified by law, like the control of all bakeries, the regulation of the “keeping, breeding or custody of any animals and birds”, or the establishment, maintenance and operation and control of slaughter houses. Municipalities may issue the building permits, permits and licenses for petrol station constructions, display of advertisements, sale of alcoholic beverages and tobacco, and dog possession. Planning permits are issued only by the municipalities of Nicosia, Limassol, Larnaca and Paphos. In fact, it is a task of state administration which has been delegated by the central government to the major urban centres.

38. Besides these, municipalities are in charge of certain economic tasks and functions, like the regulation of local business and trade as well as local markets.

39. Municipalities may promote, depending on their financial means, a vast range of activities and events including the arts, education, sport and social services.

40. However, in reviewing municipal tasks and functions, it is striking how many local public affairs are not regulated and managed by the municipalities. Virtually, most local public services, like social

welfare, public health, education, housing, public transport, and environment protection are fulfilled not by them, but by the units of state administration, even though there are some municipalities that provide, in cooperation with the central government, such services in varying proportions depending on their financial means. It should be stressed that Cypriot municipalities have only mandatory tasks, which means that they are not empowered to undertake voluntary (non-mandatory) tasks and functions in behalf of the local population. It has to be noted that large municipalities such as Nicosia provide social services to their citizens and may have some competences in the field of healthcare.

41. Municipalities may enter into a contract with other local authorities for the joint performance of certain public services, like public utilities. The Municipalities Law specifies the public services which can be delivered by such kind of local government consortia. The most typical of them is the maintenance of public utilities, but local authorities may establish associations also for waste collection and disposal, the construction and maintenance of streets, the issue of planning and building permits and other services determined by, from time to time, the Council of Ministers. In fact, these are intermunicipal (or -communal) associations (consortia) with the purpose of more effective public service delivery. In these cases, the contract must include the rate of contribution of every participant local authority to the total cost of the joint operation of the service producing organisations.

42. Municipalities have the power to make and issue local regulations (by-laws) too. Nevertheless, the range of the regulatory power of municipalities is, in accordance with the severely limited scope of responsibilities of local authorities, narrowly defined by law. As a matter of fact, all local regulations must be submitted by the competent Minister to the Council of Ministers for approval. Besides this, local government decrees, in general, need also the prior consent of the Parliament.

43. Local authorities have only a limited role in planning and implementing local development projects. Although the Municipalities Law of 1985 and some other laws enable the municipalities to carry out such projects (e.g. construction of municipal buildings/facilities, construction of streets), they need prior approval of the central authorities both for the technical aspects of the project as well as for its finances, including taking out a loan for the project. As to the communities, almost all local developments are planned and managed by central authorities.

44. The tasks and functions of communities are relatively similar to those of the municipalities.

45. Communal governments may cooperate with other communities or municipalities for joint public service delivery. According to the Communities Law, such kind of consortia may be run for certain technical services such as the construction and maintenance of community and municipal buildings, the road network, parks and other related issues, secretarial or accounting services, "hygienic services", regulation of traffic services or any other services deemed necessary to be supplied.

46. It should be noted that comprehensive administrative reform plans are under discussion in Cyprus. The whole process began in 2011, and until now, the major lines of the reform have been developed. If the planned changes will be implemented, they would deeply affect the range of powers and responsibilities of all local authorities, and the way as public functions are fulfilled. There are three proposed legislations: two for amending the Municipalities and the Communities Law and another one for the establishment and operation of the so-called "clusters", their competences and other relevant issues. According to the plans, six clusters will be established. In fact, these will be compulsory local government consortia taking over the most costly tasks and functions from municipalities and communities. Thus, they would run water management boards as well as the tasks of sewerage and waste disposal would also fall within the scope of their responsibility. The power of town planning and building permits would also be transferred to them.

47. The purpose of the establishment of the new clusters is to promote local government integration and the rationalization of public administration (e.g. both necessary permits of new buildings would be issued by the same authority). Although the rapporteurs have been informed by the representatives of the Ministry of Interior that the new consortia will get some powers and functions with the necessary financial resources from the central government, there is no precise information, at the moment, about which tasks will be decentralized.

48. The organisational and working rules of the clusters would be by and large similar to those of the municipalities and communities. At the time of the monitoring visit, it was an open question whether the councils of the clusters should be directly elected by the voters, or their members should be delegated by the respective municipal and communal councils. The democratic foundation of the new

clusters makes sense, because a later development can lead to the creation of genuine regional (district-level) self-governments.

49. Some other changes have also been prepared for amending the Municipalities and Communities Law. One of the new reform directions is to promote the forms of direct citizen participation. Furthermore, the number of local councillors would be reduced, and the committee system of local authorities would also be affected by the new rules.

50. According to the most recent information, any decision concerning the reform proposals will be taken after the upcoming parliamentary elections of May 2016.

## **6. Organisational structure and decision-making process of local authorities**

51. According to Art. 173 of the Constitution, every municipality must be administrated by a council which exercises all the powers vested in each municipality by the Municipalities Law and other laws. Local councils are composed of the mayor and the councillors. The term of office of municipal councils is five years. The number of council members varies from eight to 26 depending on the number of voters in the respective local authorities.

52. The mayor is the executive authority of the municipality and represents the municipal government. He/she prepares the agenda of the meetings of the council and convenes such meetings, and is responsible for the execution of the council decisions. The mayor presides over the council meetings and all committee meetings if he/she attends them. The mayor's pre-eminent role is emphasized by the Municipalities Law declaring that he/she is in charge of all public services delivered by the municipality, and "guides, directs and controls" these services. He or she is responsible also for collecting the municipal revenues, and authorizes the officers of the municipality to issue any license. Each municipal council has a deputy mayor who substitutes the mayor in case of his/her absence or disability.

53. Municipalities may freely establish committees to assist the work of the council. However, a management committee must be founded in every municipality. This committee prepares the budget, the annual report and the annual accounts of the municipality for the council, assists and advises the mayor in coordinating the work of the various committees. The committees are composed of the councillors proportionately to the representation of parties in the council.

54. The principal positions and offices in the municipalities are specified in the relevant legislation, like the Municipal Secretary, the Municipal Engineer, the Treasurer and the Health Officer, but municipal governments may create other positions as well if they consider it necessary.

55. As to the administrative and personnel resources of municipalities, central government has a decisive influence on their administrative staff. In fact, the number of civil servants and public employees who are employed by the local authority (i.e. all "posts of municipal service" by legal definition), is tightly controlled by line ministries through the approval of local budgets, even if the council appoints persons to the "principal posts" enumerated by the law (from the town clerk to municipal engineer). Even the local government by-laws guiding the recruitment procedure need for the approval of the Council of Ministers. The law establishes incompatibility rule between the council membership and the posts of municipal service. The uniform rules and procedures for recruitment, promotion, salary, duties and obligations and other matters of civil servants are applied to the employees of the municipalities (and the communities) too. The Cypriot laws differentiate between civil servants and public employees at both central and local levels.

56. All municipalities may issue local regulation for their own rules of procedure.

57. The duration of the mandate of community councils shall be five years. The presidents of the council as well as the councillors are elected in a similar way as the members of the municipal councils. There is a quite odd law in Cyprus stating that the Council of Ministers has the power not to call a local election in a commune "where reasons of public interest exist". In such a case, the Minister of Interior may appoint the president and all other members of the council.

58. The number of representative bodies of communities varies from 4 to 8 members depending on the number of local electors. The president of the council plays an important role similar to that of the

municipal mayors. It is remarkable that if the president of the council is not able or refuses to execute the decisions of the council, the District Officer may act instead of him/her.

59. As to the working method of communities, according to the Communities Law, the council meets regularly once a month and extraordinarily whenever this is considered necessary by the president of the Council or when this is requested in writing by at least one third of its members and the meetings are called by the president of the Council.

## 7. Local government finance

### 7.1 General data and basic principles of local government finance

60. The share of local government sector in state budget or national economy is extremely low. The local authorities' percentage in the GDP is probably the lowest in the European Union (see Table 1).

**Table 1**  
**Local governments' share in GDP and total government expenditure in Cyprus (in %)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
local government expenditure's share in GDP	2.03	1.85	1.78	1.73	1.97	2.03	2.14	1.82	1.54	1.58	1.29
local government expenditure's share in total government expenditure	5.14	4.76	4.71	4.47	4.65	4.82	5.03	4.35	3.71	3.25	3.23

Source: Ministry of Finance

61. Local authorities have different financial resources. More than a half of all local government revenues come from local or "own" resources (see Table 2), while central grants account for the rest (annual grant and/or grants against loss of taxes imposed in the past by municipalities, which have been abolished by the government; in addition, earmarked grants play a decisive role in the finance of local development projects.

**Table 2**  
**The percentage of the main resources of total local government budget**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fees and duties	20.6	22.2	23	23.8	21.5	20.3	18.1	21.3	27.5	29.1	27.6
Taxes on production and imports	20.7	25.2	27.8	28.4	24	23.1	22.2	22.6	33.6	30.7	30.2
Property income	1.1	2.8	4	2	1.1	1	0.9	0	0	0.9	0.9
Central grants	57.5	49.8	45.2	45.8	53.3	55.6	58.9	56.1	38.9	39.3	41.2

Source: Ministry of Finance

62. Local authorities have the right to have their own local budgets. The annual budget of each local authority needs a central government approval to enter into effect. Actually, municipalities have to prepare two budgets per year: the annual budget, which includes all revenues, current expenditure and the development projects, and another budget for all revenues and current expenditure. Both must be submitted together and approved by the central government.

63. In Cyprus, the balanced local budget seems to be a firmly embedded principle in local government finance. Although there are no legal limitations on local government spending, according to the

government circulars, local authorities must have a balanced budget at least for their operating expenses, and be able to repay their loans.

64. As to the expenditure side of the local government budget, Table 3 shows the proportion between their current and capital expenditure. In fact, local development projects are co-financed by the respective local authorities and the central government. The trend is clearly unfavourable for local authorities, as the share of capital revenue (i.e. resources for local development projects and investments) has continuously decreased in the last years, while the total amount of central grants has also been reduced.

**Table 3**  
**The proportion of current and capital expenditure in total local government budget (in %)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Current expenditure in total Local Government expenditure	66.15	69.11	69.81	69.39	69.59	68.97	67.44	70.66	77.98	82.07	86.78
Total Capital expenditure in total Local Government expenditure	33.85	30.89	30.19	30.61	30.41	31.03	32.56	29.34	22.02	17.93	13.22

*Source: Ministry of Finance*

65. Municipalities might have immovable property, which must be kept registered by the state-controlled District Lands Offices. Local authorities may sell or exchange their immovable property. However, any such transaction needs the consent of the Council of Ministers. Thus, any utilisation of municipal property is severely limited by central government.

66. Although local governments receive annual grants from the state budget, the rapporteurs did not find any legal guarantee or existing rule for concomitant finance. There is not information about how the principle of proportionate finance of local authorities is implemented in Cyprus. The House of Representatives approves the amount of central grants of local governments every year through the Government budget (see infra para.74).

## **7.2 Local government budgets**

67. All municipalities and communities have their own annual budget, which includes their all revenues and expenditure. However, local governments have only a limited autonomy in budgetary issues.

68. Municipalities have to submit their draft annual budget to the Council of Ministers no later than October 31<sup>st</sup> of the preceding year for approval. The budget has to be sent to the Ministry of Interior as well as to the District Officer of the district where the municipality is situated. In addition, according to the Fiscal Responsibility and the Budget System Law 20(I) of 2014, the Ministers of Finance and Interior jointly approve the budget of each Municipality on behalf of the Council of Ministers. The Minister then submits the budget plan together with his/her remarks and proposals to the Council of Ministers for approval. Besides, if the municipality considers the amendment of the annual budget necessary, it is required to submit the revised budget to the Council of Ministers for approval as well. The rapporteurs have been informed that it is not only a formal process, but the central government bodies exert a significant influence on the content of the local budgets; they may prescribe certain changes in the draft or set any conditions for approval. The Congress delegation was also told that as a result of the provisions of the Fiscal Responsibility and the Budget System Law of 2014, among other elements, local authorities have to submit financial data to the central government every month. In this way, the central authorities are able to exercise a continuous control over all local government spending and the whole economic management. In fact, the tight control over their economic management as well as other restrictions imposed by Law 20(I) of 2014 has been an issue of debate between local authorities and their Unions, and the central government. However, according to the

government, the Fiscal Responsibility and Budget System Law implements more of a monitoring than a controlling process *per se*.

69. Municipalities must keep proper books of accounts, and financial statements must be prepared and submitted for audit by the end of the financial year.

70. All payments have to be approved by the municipal council, and certified by the mayor and the town clerk. The Municipalities Law sets ceilings for yearly local government expenditure, which municipalities may only exceed up to twenty five per cent, and only provided that there is a corresponding reduction of another budget item.

71. After the expiry of each financial year, all municipalities must prepare final accounts of the implementation of their annual budget and must submit them, no later than the 30th of April of the following year to the Auditor General for an audit. Besides this, all financial transactions of the councils, the accounts and the general financial administration are audited by the Auditor General. After his/her own auditing, the Auditor General submits the audited accounts together with his/her report to the House of Representatives and to the relevant minister to arrange the official publication.

72. As for the communities, they must also submit their draft budget to the District Officer for approval until the 30 November of the year before the financial year to which it refers. In theory, the District Officer may reject the budget only if he or she finds it unlawful. According to the Fiscal Responsibility and the Budget System Law of 2014, community budgets also need the approval of the Minister of Finance.

### **7.3 Local revenues**

73. The major resources of local government revenues are the “own revenues”, that is local taxes, as well as fees, tolls, duties, and charges imposed and collected by municipalities under the provisions of the law. In addition, municipalities may get revenues from rents and profits accruing in respect of municipal property, as well as fines and penalties imposed by the local authority.

74. Some parts of local government revenues come from central grants (annual grant and or grants against loss of taxes imposed in the past by Municipalities, which have been abolished by the government. The Municipalities Law only says that “the budget of the revenue of each council is subsidized yearly” with central grants on the proposal of the Council of Ministers (through the Government Budget) and with the approval of the House of Representatives (Parliament). The law does not comprise any principle or rule for calculating or allocating these grants, as no reference is made to the types of state subsidies.

75. Local revenues, including the local taxes, duties and fees represent a considerable part of local budgets, and an important share of revenues come from central grants and other state subsidies. Large variations are identified between Municipalities on the percentage of revenues in relation to own revenues and central grants. This is mainly due to the different geographical and other characteristics of municipalities, including the numbers and types of establishments they have (e.g hotels, offices, retail, business etc) which affect the local revenues they can collect.

#### **7.3.1 Local and shared taxes**

76. According to law, all municipalities and communities have the power to levy a local tax on any immovable property situated within their own boundaries. The law determines the tax rate, which is a percentage of one and a half per thousand (1.5‰ for municipalities, up to 10‰ as regards communities) on the value of the immovable property based on an estimation which is recorded in a land register. The tax must be paid by the owners of the respective immovable properties. In early June it was announced by the central government that this tax will be abolished and that an amount (which has not been specified or secured in the proposed Bill) will be given back to municipalities and communities as a grant for the abolishment of the immovable tax imposed by local authorities.

77. The Municipalities Law empowers the local authorities also to levy professional tax imposed on legal persons operating any business, industry, artisanship, work, trade or profession within the municipal boundaries. The law determines the maximum tax rate. The rapporteurs were informed that some other local taxes exist as well. Furthermore, municipalities and communities may levy sewerage

and garbage fees. However, these seem to be public service fees and charges rather than real local taxes.

78. Although municipalities might have some other resources (based on their own decisions within the limits of the law), in some cases, it is difficult to see their nature, whether they are genuinely local taxes, or they may be imposed as fees and charges paid for certain public services. Thus, according to the Municipalities Law and the Communities Law, municipal councils may impose a duty on all payments made by any person for admission to any public entertainment. In addition, they are empowered by law to impose “fees” for all nights spent by tourists (over ten years old) in local hotels, tourist lodgings or boarding houses. In addition to this, municipalities may also impose duties on every horse-racing bet and on every horse-racing lottery.

79. There are no shared taxes in Cyprus. Local authorities receive block and specific grants from the state budget on an annual basis, but no central taxes are imposed and collected by the central government of which local authorities would have a special share.

### *7.3.2 Borrowing*

80. The Municipalities Law empowers municipalities to borrow money with the approval of and on such terms as may be prescribed by the Council of Ministers for carrying out work of public utility, and for the purchase of mechanical equipment and vehicles for that same purpose. In addition, Municipalities are empowered to temporarily borrow amounts not exceeding twenty per cent of the total revenues of the respective municipality’s budget. For any borrowing, local authorities must acquire the prior approval of the Council of Ministries. Moreover, the total amount of loans of each municipality should not exceed 250% of their total revenues including government grant. According to the Communities Law, the communities are also able to take up loans, with the approval of the District Officer. Finally, according to the provisions of the Fiscal Responsibility and the Budget System Law of 2014, the community council has to submit information to the District Officer and to the Minister of Finance in order to prove that all relevant regulations have been followed.

### *7.3.3 Other local resources*

81. All local governments have revenues from fees and duties of public service they provide for the local population. These service charges usually have a substantial percentage in local budgets, in particular together with the fines and administrative charges (e.g. paid for licenses) they may impose.

82. Local authorities may get revenue also from the use of their own municipal property. However, the sale of their asset needs a central government’s approval.

83. The Municipalities Law empowers municipal governments, with the approval of the Council of Ministers, to establish or participate in companies for the development of the municipal immovable property, or for operating public utilities for the benefit of their inhabitants.

## **7.4 Central grants**

84. Local authorities receive central grants proposed by the Council of Ministers and approved by the House of Representatives through the Government budget. The share of general grants in local government budget is about 40 per cent of the total local government revenue (see Table 4), but their proportion might be different in the various municipalities and communities. For instance, its share is about 32 per cent in the annual budget of the Municipality of Nicosia (see infra para.75). The government stressed that the allocation of central grants is established by the Unions of Municipalities and Communities, based on an agreement with the central government formula.

85. The state subsidies are allocated under different titles like annual grant (for current expenditure), or against loss of professional tax imposed in the past by Municipalities to physical persons, or against loss of Municipal Markets toll fees etc, which have been abolished by the government. Additionally the community councils receive a subsidy for street lighting.



**Table 4**  
**The share of central grants in total local government revenue (in %)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
The share of central grants in total local government revenue	57.5	49.8	45.2	45.8	53.3	55.6	58.9	56.1	38.9	39.3	41.2

*Source: Ministry of Finance*

86. In addition to the annual block grant, the central government allocates also specific grants to local governments for development projects. The amount of these subsidies varies according to the approved projects and the financial situation of the respective municipalities and communities. In practice, most parts of such local development projects are financed by state budget, as local authorities – in particular the communities – do not have sufficient capital expenditure for these purposes. Although there is no standard share of central contribution to local development projects, according to estimates of the interlocutors of the Congress delegation, usually about 70-100 per cent of all investment costs come from state budget depending on the type of project and the economic robustness of each local authority.

87. Owing to the negative effects of the world economic crisis, the total amount of central grant significantly decreased in the last decade. While the total amount of state subsidies was about € 80.7 million in 2006, it was reduced to € 70.9 million for 2016.<sup>7</sup> In Ayios Dhometios, for example, where the Congress delegation made a visit, the municipality in 2015 received 60% of the amount of the central grant in 2010.

88. The rapporteurs have not received more detailed information about the calculation method of the annual state grants. The only available information is that the total amount of the annual grant is allocated to municipalities on the basis of specific criteria (e.g. 1/3 equal allocation and 2/3 based on electorates). For the calculation of the total amount of the annual grant and or grants against loss of taxes imposed in the past by Municipalities, which have been abolished by the government, it seemed, according to the Cypriot delegation to the Congress, that there is no prior consultation with the two national unions of local governments, and the respective amounts are included in the Government budget only. For communities, the annual state grant is allocated as follows: about 40% is allocated equally to all communities, 55% is allocated to communities based on their population and 5% is allocated based on the altitude of a community – as it is assumed that remote, mountainous communities face special challenges.

### **7.5 Financial equalisation**

89. One of the most striking characteristics of the local government finance in Cyprus is that there is no financial equalization system with the function to counterbalance the regional discrepancies or to help municipalities and communities in detrimental economic situation. As a consequence, no legal guarantees are available to ensure that all citizens may get to public services in equal, or at least, similar quality. In the absence of the relevant financial mechanisms, it is really hard to imagine how the poorer municipalities and communities could catch up with the wealthier communities, or to the national average of well-being.

90. In theory, the equalisation of differences between the local communities to get revenues, or the counterbalance of economic discrepancies can also be achieved by other means – through the policy of allocating central grants or specific subsidies. The rapporteurs did not get any information about the use or existence of such techniques. Nevertheless, during the consultation procedure, the Ministry of Interior stressed the fact that it has the authority, according to its own discretion, to distribute extra grants for these purposes of equalisation.

<sup>7</sup> Data provided by the Ministry of Interior during the consultation procedure.

## **8. Central–local government relations and the procedure for consultations between central and local authorities**

### **8.1 Central government control over local authorities**

91. Local authorities are strictly controlled by central authorities. The supervision is not confined to the oversight of the lawfulness of local acts, but it extends also to the merit of the decisions of the local councils. The municipalities are directly supervised by the relevant line ministries as well as the Council of Ministers in various ways, in particular, by prior consent of:

- annual budget,
- loans,
- by-laws,
- development projects of local authorities.

92. Nevertheless, in the framework of the consultation procedure, the Ministry of Interior presented a different point of view, according to which the problem lays in the absence of provision in the Municipalities Law about the legality control of local authorities' decisions exerted by the central government. Consequently, the Auditor General can only intervene *a posteriori*, and can henceforth not prevent issues arising from unlawful decisions. According to the national authorities, such supervision, which is exerted through the District Officers in the case of communities, aims only at ensuring compliance with the legislation.

93. Besides this, the financial management of local authorities is regularly audited by the Auditor General. In practice, the audit extends far beyond the legality control or financial audit, and covers performance, administrative and technical details as well. Interestingly, the auditing tasks of the financial management of communities (and some municipalities) have been outsourced by the Audit Office, so these functions are performed by private firms under the Auditor General's guidance and monitoring. According to the Ministry of Interior though, the Auditor General only exerts supervision with regard to expediency when obvious cases of abuse are found, and then formulates *a posteriori* appropriate suggestions, comments and recommendations.

### **8.2 Consultation with local authorities; local government associations**

94. There are two national associations for local government: the Union of Cyprus Municipalities embraces all municipal governments, and the Union of Cyprus Communities represents the interests of communities. The core functions of both unions are to contribute to the development of local government autonomy, as well as to represent the local government interests vis-à-vis the central government and other national institutions.

95. The Congress delegation was informed that wide-ranging and exhaustive consultations were held before introducing the bills on administrative reforms discussed above. Both national unions were involved in these consultations, as well as other interested parties. Nevertheless, although there are existing mechanisms of consultation between the central government and the national unions of local authorities, as requested by various laws, there are no legislative rules for regular consultations and their procedures. The consultation procedure is outlined by the Guide on Public Consultation approved by the Council of Ministers in 2009. However, the practical experience of the national unions shows that these consultations are frequently not adequate or timely organized, even if there are some practices in certain areas: the two unions, for instance, submit their proposals to the Ministry of Finance and the Ministry of Interior for the requested central grants, and they are consulted about the total amount of state subsidies in every year.

## **9. Analysis of the situation of local democracy on an article by article basis**

### **9.1 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.

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

97. In Cyprus, the relevant constitutional provisions (Chapter VIII) do not meet this requirement of the Charter, since they provide local self-government only for some large cities and in an indirect way (among incompatibility rules). The two relevant laws, the Municipalities Law and the Communities Law, in their present form, do contain general provisions on local government, but they are considered too vague and not comprehensive enough to be seen as recognizing local self-government as a whole, and do not clearly ensure the principle of subsidiarity. The two relevant laws, in their present form contain rules only for the establishment or the merger of new local authorities. The situation is thus not in conformity with Article 2.

### **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.
- 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.

98. The Charter requires that local authorities must have “a substantial share of public affairs under their own responsibility”. Although the Charter does not specify which tasks and functions must fall within the competence of local governments, primarily those public affairs should be regulated and administered by them which affect most the local community and can effectively be carried out by local authorities.

99. In the current situation, this requirement is hardly met by local government system of Cyprus, where 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. Cyprus has expressed its will to extend the competences of local authorities through the ongoing reform. This encouraging trend can however not be extensively detailed in this report as the reform has not been implemented yet, the monitoring visit being an assessment of local and/or regional democracy in a country at a given time. However, the rapporteurs take note of this promising evolution.

100. Regarding Article 3 paragraph 2 of the Charter, the Cypriot legal system recognizes certain forms of citizen participation like local referendum and public hearing. As it was referred to above, local referendum has to be held before any decision about the amalgamation or the change of administrative status of local authorities. Furthermore, consultative referenda can be held also in order to ascertain the opinion of local population on serious matters of public interest. In our knowledge, such a referendum is only rarely called; one well-known example was the municipal referendum in Nicosia on the restoration and transformation of the old stadium in 2008. According to the Town and Planning Law of 1972, public hearing can be organized in the course of planning permit procedures.

101. In sum, Article 3 paragraph 1 is not complied with by Cyprus, as the rapporteurs found that local governments do not regulate and manage “a substantial share of public affairs under their own responsibility”.

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

### **Article 4 – Scope of local self-government**

- 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 which 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.   |

102. In theory, the legal definition of local government powers and duties correspond to the requirements of the Charter, as they are defined in the following way: “[the] municipalities shall have competence to administer all the local affairs thereof and all the powers lawfully vested in a municipality shall be exercised by the council and the mayor”. However, the relevant laws (mainly the Municipalities Law and Communities Law) confer to local authorities only minimal responsibilities. As it was already discussed, most important and costly public services are carried out by central government agencies, rather than local authorities. Despite public health, social and welfare services, education belong to the most important local public affairs, the local authorities do not have any responsibilities in fulfilling these tasks, or they have only minimal functions (like maintenance of school buildings).

103. The main and recurrent explanation of the representatives of the Cypriot central government the Congress delegation heard was that local authorities do not have enough capacity and resources (including sufficient financial means, staff and expertise) to tackle these core functions. However, even though it can be true, this argument can be used for the claim for strengthening local authorities, and making them able to cope with these tasks. Municipalities – in particular the great cities having significant economic potential – should get sufficient financial and other kinds of resources for managing and administering the most important tasks of the local community.

104. The Congress delegation found that the “own” tasks and the delegated powers often are not clearly separated, which has negative effects on both the accountability and the finance of local communities. Undoubtedly, the scope of local autonomy is much wider when a function falls within the responsibility of local government, while the pure execution of a centrally delegated task makes a local community in a subordinate position to the central authorities.

105. The current system of local government of Cyprus hardly meets the requirements of Article 4 paragraph 4 of the Charter, as most powers of local authorities are not exclusive and full. In fact, some of the powers of local authorities, like the issuing of planning permits are delegated, or strictly controlled by the central government. The regulatory power of the municipalities and the communities, for instance, is fully submitted to central government, as all local regulations are to be approved by the Council of Ministers with the goal, according to the government, of ensuring legality control. Through the direct elections of mayors and councillors, the representative bodies of local authorities have sufficient democratic legitimacy to exert public power and to make public policy in an autonomous way, without central tutelage.

106. As for the requirement of the Charter on the rights of local authorities to be consulted “in due time and in an appropriate way” in the matters which concern them directly, the relevant laws recognise this principle in general. However, there are no available information about the existence of an institutionalised and regular consultation system between the central government and local authorities guaranteed by law. The national delegation to the Congress stressed during the consultation procedure on the present report that although local authorities and their unions are consulted from time to time, they do not consider the extent and quality of consultation as being adequate or timely, as frameworks of these talks have been guided by the central government.

107. To summarise these findings, the rapporteurs express their opinion that non-compliance problems arise with the implementation of paragraphs 2 and 4 of Article 4.

### 9.3 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.

108. 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.

109. The relevant legislation contains sufficient guarantees for local authorities to be consulted prior to any initiative for merging them, as it stipulates that before submitting such a legislative proposal, the Government must call local referenda in the respective communities, and the results of these popular votes must be attached to the legislative initiative. As a consequence, Article 5 is fully implemented.

### 9.4 Administrative structures (Article 6)

#### 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.

110. Local authorities must 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 governments. The Charter requires that the right conditions must be provided for the office of local elected representatives in order to ensure free exercise of their functions.

111. According to the opinion of the rapporteurs, the requirement of the appropriate administrative structures and resources of local authorities is not implemented in a satisfactory way in Cyprus, in particular in case of small communities. A number of communities are not able to carry out their mandatory functions, but need the assistance of central authorities. These local authorities often do not have sufficient staff or financial means to employ local civil servants and public employees. As the Congress delegation was told, there are great and unjustified differences between the municipalities and communities in their personnel and other technical resources. For example, Kokkinotrimithia Community is poorly supplied with staff (only five employees), whereas it has a comparable population to the neighbouring municipality which employs about a hundred people.

112. During the visit of the rapporteurs, the need for the strong central control over the municipalities and the communities was frequently explained with the insufficient resources of local authorities. It was also said that municipalities and communities are legal persons guided by public law. As such entities, by contrast to private companies and organisations, legal persons of public law have the duty under the General Principles of Public Law to manage their affairs applying the principles of good governance. Another recurring argument against the greater engagement of local authorities was the alleged high level of corruption at municipal and communal governments. However, none of these arguments are convincing. If local authorities do not have enough capacity to carry out more tasks or to perform their duties in a more autonomous way, they should get sufficient resources to do so. The fight against corruption is a general effort in all Member States of the Council of Europe, which deserves to be strongly encouraged; nonetheless, it is not a compelling reason for keeping local politicians and officials far from public resources or from public authority.

113. In this situation, it can be concluded that while paragraph 1 of this Article is respected, paragraph 2 of the said provision is only partly complied with.

**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.

114. Studying the relevant laws on the municipalities and the communities, it is striking that, apart from their elections, and some incompatibility rules, none of them regulate the legal standing of the elected members of the local councils. Neither their rights, nor allowances are enumerated by these laws. Nevertheless, during the consultation procedure, the Ministry of Interior indicated that pursuant to a decision of the Council of Ministers, mayors and municipal councillors benefit from an actual remuneration, whereas according to a specific law, the central government gives compensation to all community council presidents. The rapporteurs have not found any legal guarantee for the conditions of the free exercise of the councillors' functions. That is why Article 7 of the Charter, according to the assessment of the rapporteurs, seems not to be implemented in Cyprus.

**9.5 Exercising responsibilities and government 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 the local authorities can only aim 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 which can be derived from the Charter's provisions is that the law should precisely determine which administrative authorities are empowered to exercise legal supervision over municipalities, thus eliminating the uncertainty of the current legislation.

117. According to the rapporteurs, the central government control exercised by the line ministries, the Audit Office, the District Officers, and even by the Parliament is not limited to legal supervision. In fact, through the supervisory powers, the central authorities exert great influence on the daily work as well as on the strategic decisions of local councils. The central approval of a number of local government decisions surely goes far beyond the legality control of local acts which practice is not compatible with the Charter.

118. Consequently, as far as the practice of central supervision exerted by central government agencies exceeds the legality control over local governments' acts, the requirements of Article 8 are not met.

## 9.6 Financial resources (Article 9)

### Article 9 – Financial resources of local authorities

- 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.

119. Article 9 paragraph 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 conditions laid down in this provision of the Charter are mandatory.

120. 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 if and how this requirement is met in Cyprus. While some NGOs 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 met in Cyprus, but only because municipalities have only extremely limited functions.

121. As it was described, local authorities are obliged, according to the Municipalities, the Communities and the Fiscal Responsibility and Budget System (FRBSL) Laws, to submit their annual budget to the central government for approval. During the monitoring visit, the Congress delegation had some opportunities to discuss this issue with leaders and senior officials of two central ministries, other central agencies, and the representatives of the visited local authorities and local government unions. The dominant view of the central authorities is that the municipalities and the communities are parts of the state and they receive grants from the central government. They spend public money, and the state (central government) is the warrant of local government deficit and debt. All these circumstances justify the prior consent of the central government to the local budgets. However, Article 9 paragraph 1 of the Charter requires that local authorities must be entitled to dispose freely of their own resources. This requirement is hardly compatible with the compulsory central government consent to local budgets, where the central authorities may impose special conditions and expectations for local authorities to this approval. Since all council members of the municipalities and the communities are democratically elected in Cyprus, they have enough legitimacy to decide how they spend their revenues. Local authorities should be accountable to their own voters, rather than to the preferences of central government in local public affairs. As stated above, the Ministry of Interior has a different point of view on this issue, highlighting the fact that this control is confined to the sole

lawfulness of the proposed budget and that the central government hence does not impose its own proposals upon local authorities. However, according to the rapporteurs, the practice of central approval of local government budget shows the picture of an overcentralized financial system, in which most important local decisions are influenced or tightly controlled by the central government.

122. According to the conclusions of the rapporteurs, in the absence of a predictable and transparent calculation method of central grants, local authorities cannot be sure for getting enough money for their compulsory tasks and functions. They are hardly able to plan their current expenditure if they can just hope that they will receive the usual amount of central subsidy. It is conspicuous in particular when the total amount of central grant has been significantly decreased in the past few years.

123. The presumed calculation method which is based on the previous year's data of local budgets brings about certain risks for local authorities, because the decrease of local revenues as a consequence of the negative effects of world financial crisis and the drop of central grants as these took place in the last years, might become permanent, fixing local revenues steadily at a low level (see *supra* para 89. for more details).

124. As some representatives of local authorities said, the allocation of state subsidies is not preceded by an investigation or assessment of real financial needs of local authorities. In this system, it is doubtful whether local governments are able to produce public services at the same level in all towns and the rural areas. Moreover, if the central planning is not based on a careful assessment of local needs, the use of central grants is unlikely to be effective. This view has been opposed during the consultation procedure by the Ministry of Interior, which stated that the central government's contribution to the local government projects of the poorest authorities reaches 100% of the local investment costs, in addition to the fact that the Ministry of Interior, as stated above, may distribute extra grants to those in need, at its own discretion and based on specific criteria.

125. There is a similar problem with the specific (or earmarked) grants, as most part of the local development projects is financed by central government. In the lack of sufficient local revenues for capital expenditure, local authorities are vulnerable to central encroachment upon local affairs. In fact, most development plans including the smallest local development, like road repairs or bicycle road construction are made at central government level. It seems to be an ineffective way of planning and implementing local development policies and projects. Once again though, the Ministry of Interior disapproved this statement during the consultation procedure, saying that all local authorities without any exception had the possibility to assume and implement on their own development projects, provided they have the necessary financial resources.

126. The Charter requires that at least a part of local revenues should come from local taxes. Article 9 paragraph 3 comprises a definition of local taxes claiming that local authorities, within the limits of the law, must have the power to determine the rate of these taxes. Moreover, local taxes are really "proper" revenues only if the imposition of local taxes is a free decision of local government. In Cyprus, the share of local taxes in local budgets is relatively high, even if some of these revenues are not genuine local taxes (but rather, they are fees and charges paid by users of certain local public services). The only problem which has arisen in this area was the weak capacity of communities to collect local taxes. In this respect, the tax authorities of the central government could make invaluable contribution to the respective local authorities to collect local taxes.

127. Neither the Municipalities Law nor the Communities Law contain the principle of concomitant (adequate) finance, and the practice shows that central grants are not adjusted to the local needs. So, there is no guarantee for adequate local government finance proportionate to mandatory functions of the municipalities and communities.

128. As to the overall assessment of the compliance with Article 9, the rapporteurs concluded that paragraphs 4 and 5 of this Article are not implemented, while the prevalence of paragraphs 2 and 6 are not guaranteed, since the principle of adequate finance, as it is entrenched in paragraph 2 and the prior consultation with local authorities in an appropriate manner in financial issues as required by paragraph 6, do not have any legal safeguard in the relevant statutes.



## 9.7 *Rights to associate and legal protection of local governments (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.

129. The Charter requires the signatory countries to provide for the right for local governments 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.

130. According to this requirement, each member State has to recognise 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. Furthermore, local governments must be consulted, insofar as possible, in due time and in an appropriate way, in the planning and decision-making processes for all matters that concern them directly.

131. As it was discussed above, both the municipalities and the communities have their own national associations representing their interests in the central government decision-making. The Congress delegation is not aware that the freedom of local authorities to associate would be limited in any way. Both the Municipalities and the Communities Laws entrench the rights of local authorities to be registered and participate as a member of their relevant unions.

132. The freedom of local authorities to establish or join associations as well as to express their views and promote their interests is not limited in Cyprus, so this article is completely respected.

### **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.

133. As far as the Congress delegation has been informed, the judicial protection of local governments' interests is provided by the Cypriot legal system. Article 146 of the Constitution declares that any person whose rights or legitimate interests are adversely and directly affected by a decision, an act or omission of any organ, authority or person, exercising any executive or administrative authority which is contrary to any of the provisions of the Constitution or of any law or is made in excess or in abuse of powers vested in such organ or authority or person, may recourse to the Supreme Court for legal remedy. Under this constitutional provision, some local authorities took legal recourse to the Supreme Court for remedy against certain central government actions in the past few years. In addition, local governments may turn to the administrative court in the case of a conflict of powers with another public authority in the protection of their own competences. Consequently, the situation complies with Article 11 of the Charter.

## 9.8 *Undertakings – reservations formulated 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.

134. Since the ratification of the Charter, Cyprus has not considered itself bound by paragraph 2 of Article 7 of this convention. During the monitoring process, the rapporteurs have not received any explanation for sustaining the non-ratification of this provision. The spirit of the Charter requires the acceptance of all of its provisions, unless certain compelling interests exist justifying the reservation.

135. In the views of the rapporteurs, the legal status of the Charter in the domestic legal system of Cyprus makes some concern. Although the Charter, as an international treaty and according to the Constitution of Cyprus should have a legal force and a direct application, it is not seen as a self-executing legal norm. The Supreme Court, in the case of *Pandelides v. Leantzi* (1991) 3 C.L.R. 293 declared that the Charter, even though ratified by law, was not directly applicable, because its wording had been considered too vague to give rise to concrete rights and obligations recognized by domestic law. However, Cyprus, by signing and ratifying this convention, undertook a commitment to implement its provisions, so it cannot refer to any internal decision or specific legal interpretation to justify the non-compliance with its provisions.

136. In this regard, the rapporteurs draw the attention of the Cypriot authorities to the fact that the relevant jurisprudence of the Supreme Court declaring the Charter as a directly non-applicable legal tool violates Article 12 paragraph 1, as each signatory country under this provision undertook the implementation of all articles of the Charter, with the exceptions of reservations they made at the time of signature and ratification, and have maintained since then.

## 10. Conclusions and proposals

137. The clear recognition of local authorities in the Constitution is strongly recommended. Although the rapporteurs, during their visit, did not meet any uncertainty or fear of abolishment or enforced amalgamation in the visited local authorities, the constitutional entrenchment of local government can guarantee the right to local self-government for the local communities. In addition, a successful reunification process could affect the legal and administrative status of the existing municipalities and communities, therefore the *expressis verbis* recognition would provide a constitutional safeguard for them.

138. In order to strengthen the constitutional embeddedness of local authorities, it would be worth providing clear recognition for the constitutional status of local authorities. In addition, the relevant laws should also strengthen the legislative basis of both the existing municipalities and communities emphasising their position as an essential institution of local democracy having substantial role in regulating and administering local public affairs.

139. The ongoing administrative reforms in Cyprus would be a real milestone, for local authorities would get much more tasks and competences. The previous monitoring reports and recommendations had already proposed the transfer of further competences to the municipalities and communities, like responsibilities for schools, consumer protection or municipal police. The establishment of the so-called clusters could pave the way for enhancing the autonomy and duties of local authorities, as they will expectably be more powerful units with higher capacity for performing more and more functions which deeply affect the life of the local communities. It would be important, however, to transfer the new tasks and functions to these consortia as real local responsibilities freed from any kind of central government tutelage.

140. The Cypriot authorities should strive to assign powers and duties to local authorities fully and exclusively. The tasks affecting local communities and exercisable at local level in an effective way (like planning permits) should be specified as genuine local government functions, rather than delegated powers which may be withdrawn and recentralized at any time.

141. Within the limits of the law, the regulatory power of local authorities in all matters, which falls under the scope of their responsibility, should be exempted from the requirement of central approval. The ex post control of legality of all local by-laws provides enough guarantee for legal security and rule of law.

142. The almost unlimited power of the central government to determine the personnel and administrative resources of local authorities should be used to provide them with the staff and technical facilities necessary to perform their duties.

143. It is also strongly advised to the central authorities to establish a general system of consultations with local government unions laid down by law.

144. The power of the Council of Ministers not to call local elections in certain localities "if public interest exists" should be abolished. This legislative provision may represent a heritage of former turbulent times, which can hardly have any justifiable function today.

145. Every kind of central government supervision over local governments should be limited to the legal control of the operation and regulation of the municipalities and communities. This sort of oversight does not extend to any power to make instructions for local governments or to control effectiveness of their working or policy. The democratic legitimacy of the directly elected local councils makes them accountable to their voters, rather than to the preferences of the central authorities.

146. The power of central government to give consent to the budget of each local government should be annulled. The legality control of financial management of local governments provides enough tools for central authorities to maintain the transparency and lawfulness of public expenditure.

147. The whole mechanism of granting state subsidies, including the calculation method of central grants, should be fixed and made transparent and foreseeable for local authorities. The national local government unions should be involved in the decision-making process in this area as well, providing opportunity for them not only to express their views and demands, but also to give information and feedback to the central government.

148. The role and contribution of municipalities and communities should greatly be enhanced in the policy- and decision-making processes of local development projects. They should get more financial resources for capital expenditure, even if the principle of co-financing such projects *per se* can be maintained. In the opinion of the rapporteurs, without strengthening local priorities in this field, the development projects cannot be realised efficiently and effectively.

149. The Cypriot authorities should work out sufficient guarantees for the implementation of the basic principle of adequate finance of local governments. This principle cannot be safeguarded without a careful and profound examination of local needs, and an effort to keep a balance between the costs of mandatory tasks and the available resources in each year.

150. It is highly recommended for the Cypriot authorities to make steps to ensure the direct applicability of the Charter.

**Appendix 1 – Programme of the Congress monitoring visit to the Republic of Cyprus**

**CONGRESS MONITORING VISIT TO CYPRUS  
(05 - 07 April 2016)**

**PROGRAMME**

**Congress delegation:**

**Rapporteurs:**

Mr Bernd VÖHRINGER	Rapporteur on local democracy Chamber of local authorities, EPP/CCE <sup>8</sup> Member of the Monitoring Committee of the Congress Lord Mayor of Sindelfingen (Germany)
Ms Randi MONDORF	Rapporteur on regional democracy Chamber of Regions, ILDG <sup>9</sup> Member of the Monitoring Committee of the Congress Member of the Regional Council of Copenhagen (Denmark)

**Congress Secretariat:**

Ms Stéphanie POIREL	Secretary to the Monitoring Committee
Mr Alexis VISCOVI	Assistant to the Monitoring Committee

**Consultant:**

Mr Zoltan SZENTE	Member of the Group of Independent Experts on the European Charter of Local Self-Government (Hungary)
------------------	--

**Interpreters:**

Ms Irina PIPIS
Ms Maria HOUVARDA LOUCA

---

<sup>8</sup> EPP/CCE: European People's Party Group in the Congress

<sup>9</sup> ILDG: Independent Liberal Democrat Group in the Congress

**Tuesday 5 April 2016  
Nicosia**

**Joint meeting with the members of the National Delegation of Cyprus to the Congress and the members of the Union of Cyprus Municipalities and the Union of Cyprus Communities:**

- **Cypriot delegation to the Congress:**
  - **Mr Stavros YEROLATSITES**, Head of the Cypriot delegation to the Congress, Councillor of the Municipality of Strovolos
  - **Mr Lefteris PERIKLI**, Vice-President of the Cypriot delegation to the Congress, President of the Aphesia Community Council
  - **Ms Efterpi ORPHANIDOU**, Municipal councillor of Yermasoyia
  - **Ms Anna Maria KREMMOU**, Municipal councillor of Lapithos
  - **Ms Frosto ARMOSTI**, President of the Sin. Anthoupolis Community Council
  - **Mr Marios ZACHARIADES**, President of the Kelokedara Community Council
- **Independent Expert:**
  - **Mr George COUCOUNIS**, Member of the Group of Independent Experts
- **Union of Cyprus Communities:**
  - **Mr Andreas KITROMILIDES**, President of the Union of Cyprus Communities
- **Union of Cyprus Municipalities:**
  - **Mr Constantinos YIORKADJIS**, Vice-President of the Union of Cyprus Municipalities, Mayor of Nicosia

**Nicosia Capital City Council:**

- **Mrs Eleni LOUCAIDOU**, Deputy Mayor of Nicosia

**Expert:**

- **Mr George COUCOUNIS**, Member of the Group of Independent Experts

**Ministry of the Interior:**

- **Mr Constantinos NICOLAIDES**, Permanent Secretary to the Minister of the Interior

**Wednesday 6 April 2016**  
**Kokkinotrimithia, Nicosia, Ayios Dhometios**

**Kokkinotrimithia Community Council:**

- **Mr Christakis MELETIES**, President of Kokkinotrimithia Community Council

**Ombudsman of the Republic of Cyprus:**

- **Mr George KAKOTAS**, Officer of the Office of the Commissioner for Administration
- **Ms Zenaida ONOUFRIOU**, Officer of the Office of the Commissioner for Administration
- **Ms Kalia KAMPANELLA**, Officer of the Office of the Commissioner for Administration

**Audit Office:**

- **Dr Odysseas MICHAELIDES**, Auditor General
- **Mr Marios THEOPHILOU**, Senior Audit Officer
- **Mr Yiangos PAPAKYRIACOU**, Senior Principal Auditor

**Municipality of Ayios Dhometios:**

- **Dr. Costas PETROU**, Mayor

**Supreme Court:**

- **Mr Myron NICOLATOS**, President

**Ministry of Finance:**

- **Mr Haris GEORGIADES**, Minister of Finance

**Thursday, 7 April 2016**  
**Paphos**

**Municipality of Paphos:**

- **Mr Phedon PHEDONOS**, Mayor of Paphos