

**33rd Session – Strasbourg, France, 18-20 October 2017**

## Presentation by Lucia KROON (the Netherlands, L, EPP/PPE)

*Check against delivery - Seul le prononcé fait foi*

### **Local and regional democracy in Serbia**

**Strasbourg, France, 19 October 2017**

Dear colleagues,

Indeed, despite the economic challenges, Serbia responded positively to most of the previous recommendations made by the Congress in 2011, in particular through adopting legislative changes.

It ratified the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities and signed the Additional Protocol to the Charter on the right to participate in the affairs of a local authority as Congress recommended in 2011. In 2016, the law on the status of local government staff was adopted.

We therefore trust that the national authorities will pursue the declared objectives of the Public Administration Reform Strategy, will finalise the legislative projects related to local and regional democracy and decentralisation and will ensure their effective implementation in line with the requirements of the Charter. We expect effective results to be delivered in practice.

We also noted with satisfaction the existing good practices in terms of responding to the specific needs of a culturally diverse population and of protecting minority languages, notably in the Autonomous Province of Vojvodina that has more than 26 ethnic groups and six official languages.

Now I have to speak about the challenges that Serbia faces in respect of conformity with the provisions of the Charter.

First of all, we have concerns about the lack of adequate resources available to local authorities for carrying out their functions due to a drastic reduction in financial resources in recent years.

It may be understandable that local government should shoulder its share of responsibility in Serbia's attempt to achieve macroeconomic stability, but local authorities should not lack financial resources for carrying out their functions according to paragraph 2 of Article 9 of the Charter.

We also observed the failure to implement the constitutional provision concerning the budget of the Autonomous Province of Vojvodina (stating that it should amount to at least 7 per cent of Serbia's budget) and, as a result, the lack of concomitant financial resources made available to the province to carry its functions (Article 9.1-9.2).

Therefore, we call on the national authorities to settle the dispute about this constitutional provision by enacting a Law on Financing the Autonomous Province of Vojvodina. We believe that the conditions are now favourable to tackle this pending issue without further delay since the consultations between the two levels of government have been enhanced.

Second, we observed the lack of clarity in applying in practice the temporary recruitment ban within local authorities. Even if the introduction of this measure might have been justified by economic reasons, the criteria for approving the recruitment of staff during the temporary ban should be clarified and its transparency improved so that local authorities could better understand the grounds for refusal. This would make the personal policy more predictable and would allow for the proper exercise by local authorities of their competences.

Furthermore, we are concerned with the proposal to transfer responsibility for appointing healthcare and education boards and directors from local to central government. In our opinion, the implementation of this initiative will undermine local self-government functions in violation of Article 4.4 of the Charter.

Finally, in accordance with the Constitution of Serbia, under certain conditions an elected local assembly may be dissolved by the Government and replaced by a temporary executive body. We are much concerned about the absence of a legal clarification of the competences of such a temporary body (Article 8.1 of the Charter).

In our opinion, it paves the way for an abuse of power and affects the very heart of local democratic self-government. That's why we suggest that the powers of any temporary body that is put in place by the government under certain circumstances should be legally clarified so as to prevent any risk of possible deficiencies.

Moreover, we would like to reiterate the importance of solving this issue since we have recently learned that on 14 September 2017 the Government dissolved the Municipal Assembly of Presevo in an Albanian speaking region of the country, replacing it with a temporary executive body. Last time when the government had recourse to such dissolution procedure was in 2014.

In this respect, we would like to remind that the Congress in its previous report has already expressed its general concern about the Serbian government's power to dismiss local elected assemblies and asked to revise this legal possibility.

To conclude, in my opinion as well as in my co-rapporteur's, all levels of government in Serbia should continue their joint efforts to counter corruption, including at local level, through further strengthening anti-corruption policies.

We will continue to closely follow the reform process in Serbia, in particular we intend to pursue our very good cooperation with Serbian authorities, and remain optimistic about the results of the reform.

I hope you will adopt this draft recommendation. We are now ready to answer your questions, should you have some.

Thank you for your attention.