



Centre of Expertise for Good Governance

CEGG



2022 Activity Report

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^{*} All references to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo.

Executive summary

The mission of the <u>Centre of Expertise for Good Governance</u> (CEGG) is to promote respect for the 12 Principles of Good Democratic Governance by building governance capacities of actors at all levels and delivering legal and policy advice in line with the European standards and best practice.

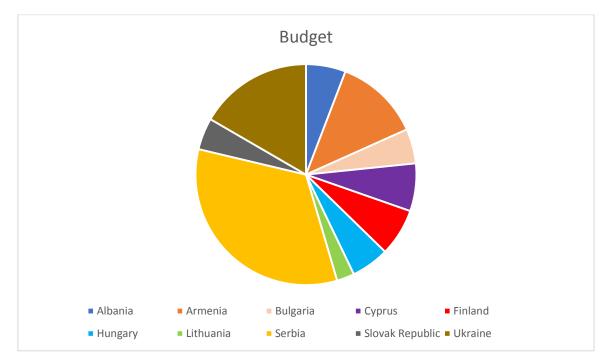
Key statistics for CEGG activity in 2022

- Activities organised in 25 member states
- Large scale projects implemented in 10 member States including 6 new large-scale projects launched in Albania, Armenia, Bulgaria, Cyprus, Finland, and Hungary;
- Smaller scale projects / activities implemented in 15 member States;
- Capacity-building activities delivered in 17 member States;
- Officials, experts and CDDG members from more than 30 member States participated in CEGG activities and in exchange of good practice between member States;
- 3 Peer Reviews organised in Serbia, Slovakia and Lithuania and a new toolkit explaining the Peer Review Process published on the CEGG webpage;
- 5 formal legal and policy advice papers delivered to help attune legislative frameworks to Council of Europe standards;
- 12 Principles of Good Democratic Governance promoted through the implementation of the European Label of Governance Excellence (ELoGE) in 15 member States and Kosovo*;
- 2 new toolkits on Human Resource Management and Strategic Municipal Planning revised and updated in light of experience gained through implementation of projects in Lithuania, Poland, Serbia, Ukraine and others;
- A series of 5 online conferences under the banner "Local Governments Unite for Welfare and Peace" helped mobilise over 1000 participants from 35 countries to promote meaningful cooperation among local authorities in Ukraine and beyond.

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Key facts and figures

In 2022, the Centre of Expertise was responsible for managing the implementation of projects and activities for a total budget of over €12 million, in 25 Council of Europe member States (up from €10 million in 2021). The biggest projects include:



- Serbia (total budget: € 4 M)

- Ukraine (total budget: € 2 M);

- Armenia (total budget: € 1.5 M)

- Hungary (total budget: € 670.000)

- Finland (total budget: € 835.000)

- Bulgaria (total budget: € 610.000)

- Slovakia (total budget: € 560.000)

- Lithuania (total budget: € 310.000)

- Albania (total budget: € 700.000)

- Cyprus (total budget: € 840.000)

In addition to these large projects, a number of small but high-impact projects and activities were implemented in other member States, including Bosnia-Herzegovina, Croatia, Estonia, France, Georgia, Italy, Latvia, Malta, Moldova, North Macedonia, Poland, Portugal, Spain, and Tûrkiye. These were funded or co-funded through the ordinary budget, amounting to about € 300.000.

Peers, experts, and public authorities from about 30 member States contributed to the implementation of the projects; many CDDG (European Committee on Democracy and Governance) members participated in peer reviews and other activities of the CEGG. These activities contributed to new or improved legislation, better implementation of reforms, and strengthened capacities of public authorities at all levels in our member States.

Policy and legal assistance

In 2022, the Centre of Expertise for Good Governance provided policy and legal advice on public administration and local government reform to about 10 member States through formal legal / policy papers, Peer Review Reports, and exchange of experience among member States. This advice covered issues related to public administration reform, decentralisation, local finance, service delivery, regional development, and municipal governance.

In the aftermath of the Russian invasion of Ukraine, an extensive consultation of key stakeholders led to the preparation of a Policy Advice document on a roadmap for Local Self Government recovery from the consequences of war.

Three Peer Review exercises were carried out involving members of the CDDG. In Serbia, Peers shared the knowledge and experience on human resource management and the competency framework for local officials. In Lithuania, members of the CDDG shared expertise and best practice on territorial and regional development strategies, and strategic planning in the context of a study visit. In Slovakia CDDG Peers prepared a policy advice document on strengthening the status of cities and municipalities in Slovakia.

Examples of legal and policy advice requested from the CEGG by the member states in 2022 illustrate their priorities and reforms:

On Fiscal Equalisation in Armenia

On the draft Law on Hotel Tax in Armenia

On strengthening the status of cities and municipalities in Slovakia

On the Draft Law "On Service in Local Self-Government Bodies" in Ukraine

On the financing of public functions at the regional level in Finland and Lithuania

On the programming, planning, fiscal decentralisation, and institutional set up of the regions in Lithuania

On Human Resource Management and on HRM training in Serbia

On the Roadmap for Local Self-Government Recovery from the Consequences of the War in Ukraine

Capacity building tools and activities

CEGG projects and activities are based on a twin-pronged approach consisting of:

- delivering legal and policy advice to central authorities; and
- developing the capacities of local actors through the implementation of CEGG toolkits.

In 2022, more than 200 capacity-building activities were organised in 25 member States ensuring that almost 10000 participants developed their capacities in all aspects of good democratic governance, including performance management, strategic planning, leadership, local finances, and human resource management.

New toolkits on Human Resource Management (HRM) and Strategic Municipal Planning (SMP) were revised, updated, and published on the CEGG webpage. These toolkits have been developed in light of experience gained through implementation of projects in Lithuania, Poland, Serbia, and Ukraine in particular, and the work of the CDDG. The advice and good practice shared in relation to regional development will be collated in a new toolkit on Strategic Regional Planning to be published in 2023.

The HRM toolkit addresses recent trends including teleworking, soft skills development, and performance management and appraisal. The SMP Toolkit frames the importance of strategic planning in the context of sustainable development while underlining the need to promote civil participation in planning processes.

Considering the importance of the Peer Review Process as a means of delivering friendly advice to member States preparing public administration reforms and revising legislation in line with Council of Europe Standards, a new toolkit explaining the process has been published on the CEGG webpage.

The Best Practice Programme continues to be implemented in several member States (Armenia, Hungary, Moldova, Ukraine). Furthermore, there is renewed interest in tools to promote Cross-Border Cooperation, including in Armenia/Georgia; Bulgaria/Serbia; Ukraine/Poland and Ukraine/Hungary.

The <u>E-DEN platform</u> is being updated and expanded to serve as a repository of good practice and a networking interface for municipalities who have been awarded ELoGE and participants who have completed the Leadership Academy Programme.

ELoGE

The <u>European Label of Governance Excellence</u> (ELoGE) is awarded to municipalities who have demonstrated compliance with the 12 Principles of Good Democratic Governance. It was first implemented in Norway and Bulgaria in 2011. Since then, ELoGE has or is being implemented in 20 member States and Kosovo*.

ELoGE relies on a partnership between the Council of Europe and an existing reputable regional, national or transnational entity or an ad hoc platform with a substantive knowhow, expertise or experience in the field of good democratic governance, especially at the local level.

In 2022, award ceremonies have been held for the municipalities from Bulgaria, Croatia, Italy, North Macedonia, Spain, Türkiye, and Kosovo*., with 90 municipalities having received the Label. In France, the ELoGE process has been extended to cover intermunicipal cooperation arrangements while in Spain the ELoGE benchmark has been adapted for use by very small municipalities.

Following over 10 years of implementation across Europe, feedback from accredited platforms, ELoGE-awarded municipalities, and implementing partners indicates that the process would benefit from an update to reflect recent changes. A survey of accredited bodies has recently been launched by the CEGG and a series of exchanges will be organised in the coming months that will feed into a revision process. A revised benchmark and ELoGE regulations will be prepared in 2023.

Looking ahead

The Centre of Expertise for Good Governance presented its <u>Strategic Plan for 2022-25</u> at the 14th CDDG meeting 29-30 November 2021. One year on, the CEGG can report significant progress towards reaching these objectives.

In **focusing on priorities**, the CEGG has ensured effective awareness-raising and dissemination of the 12 Principles of Good Democratic Governance, as attested to by the number of active ELoGE accreditations.

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CDDG members have contributed to several CEGG activities, including Peer Reviews, thus underlining the importance of CEGG projects as a platform to share good practice and as a vector to promote Council of Europe standards.

Addressing new challenges, the ReBuS toolkit is being implemented in Armenia and promoted in other contexts as a means of supporting attainment of SDG Goal 11 by contributing to make communities safe, resilient and sustainable.

Going forward, the Centre of Expertise will continue to mobilise and involve stakeholders from all levels of governance and its broad network of national and international partners in programme design and implementation. This will help improve the impact of its programmes; reinforce commitment to the 12 Principles of Good Democratic Governance across Europe; and help adapt tools to the domestic contexts and emerging needs, as identified in the <u>Secretary's General 2021 Annual Report</u>, and in the <u>Strategic Framework of the Council of Europe for 2022-25</u>.

The **emerging challenges** to be addressed include the aftermath of the war in Ukraine, the backsliding of democracy and the need to strengthen democratic governance, digitalisation of governance and public administration, promoting the greening of public administration and supporting deliberative democracy.

The **priorities** of the Centre of Expertise are also aligned with the <u>2022-25 Terms of Reference of the CDDG</u>, so the CEGG will serve as a vector to disseminate new standards such as a recommendation on principles of good democratic governance applicable to all levels of government; a recommendation on deliberative democracy; a recommendation on multilevel governance, as well as guidance on delivering social services at local level.

2022 Activity Report

1. Introduction

The mission of the <u>Centre of Expertise for Good Governance</u> (CEGG) is to promote respect for the 12 Principles of Good Democratic Governance by building capacities of governance actors of all levels and delivering legal and policy advice in line with European standards and best practice, for the benefit of citizens and civil society at large.

In its work, the CEGG seeks to comply with the "Leave no one behind" principle as part of the UN 2030 Agenda for Sustainable Development and the contributes to attaining the <u>Sustainable Development Goals</u>. In particular, CEGG activities contribute to SDG Goal 16 in seeking to develop effective, accountable and transparent institutions and ensure responsive, inclusive, participatory and representative decision-making at all levels; SDG Goal 8 by seeking to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG Goal 11 by contributing to make communities safe, resilient and sustainable; SDG Goal 5 by striving to promote the full and effective participation of women in all levels of decision-making.

In the 16 years since it was established following the 3rd Summit of the Council of Europe in Warsaw in 2005, the CEGG has been promoting good democratic governance in Europe:

- through continuous investment in research and expertise;
- by creating and developing partnerships and networks with national and international stakeholders;
- by developing impact-oriented practical tools;
- and by implementing country-specific programmes.

The work of the CEGG takes inspiration from best European practice and is shaped primarily by the guidelines and recommendations elaborated by the Council of Europe's European Committee on Democracy and Governance (CDDG). Country-specific projects, initiated at the request of member States, are implemented in cooperation with local, regional, national, and international stakeholders. These cooperation projects and targeted interventions are designed to promote Council of Europe standards; address issues and fill gaps that have emerged through monitoring; and support on-going processes of public administration and local government reforms and the modernisation of democratic institutions in member States.

The CEGG is inherently linked to the Council of Europe's intergovernmental dimension: working with the CDDG and its members, it translates the standards prepared by the CDDG and adopted by the Committee of Ministers into practical toolkits; it develops new toolkits or updates existing ones; provides policy advice; organises peer reviews and international conferences. The CEGG also cooperates with the Parliamentary Assembly, the Congress of Local and Regional Authorities, the Venice Commission, the Group of States Against Corruption, the Council of Europe Development Bank, and other bodies of the Council of Europe.

The CEGG Secretariat is part of the Democratic Governance Division of the Directorate General of Democracy and Human Dignity (DG II) and consists of a small team of staff based in Strasbourg and several field offices. It relies on an extensive network of qualified national and international experts, institutions as well as senior CDDG officials to provide policy and legal advice, capacity-building, training and expertise.

2. Main activities in 2022

In 2022, the most important CEGG projects were funded by the European Union and a number of Council of Europe member States through external contributions. These were implemented in Albania (funded by Germany), Armenia (funded by Austria and by member States in the framework of the Council of Europe Action Plan 2019-2022), Bulgaria, Cyprus, Finland, Hungary, Lithuania, Slovak Republic, Serbia (all funded by the EU), and Ukraine (funded by member States in the framework of the Council of Europe Action Plan 2018-2022). In addition, several smaller activities were implemented through the ordinary budget in Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, France, Hungary, Italy, Malta, Moldova, North Macedonia, Poland, Portugal, Romania, Spain, Türkiye, and Kosovo*.

Overall, the projects resulted in better legislation, reforms, and more competent public authorities. The projects also contributed to the UN's Sustainable Development Goals, in particular Goal 11 on sustainable cities and communities and Goal 16 on peace, justice and strong institutions, and Goal 5 on gender equality and empowerment of women. They were also aligned with the European Commission's goals which include, among others, strengthening institutions and governance and improving the participation of civil society in decision-making. The details on each project are described below.

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The online and social media presence of the CEGG was enhanced, allowing for greater visibility of its toolkits and activities through the <u>website</u>, <u>Facebook</u> and <u>Twitter</u> platforms. A new, more diverse pool of 31 experts was established through a public international tender procedure completed in autumn 2022.

The Secretariat of the CEGG was actively engaged in fund-raising and proposal-writing to ensure follow-up to projects that ended and to respond to growing demands for advice and capacity-building projects which are highly valued by beneficiary countries. In order to ensure sustainability and local ownership of project results, the CEGG cooperated in project design and implementation with national actors, primarily governments, associations of local and regional authorities and institutions such as schools of public administration. Furthermore, it paid particular attention to coordination with donors, to ensure complementarity of action.

While projects in Armenia, Lithuania, Serbia, and Ukraine came to an end in 2022, the CEGG was successful in securing new projects in Albania, Armenia, Bulgaria, Cyprus, Finland, and Hungary. A new project in Ukraine is expected to be launched in early 2023.

3. Activities by country

Albania

A new project proposal designed to build on the previous <u>Strengthening Local Government</u> <u>Structures in Albania</u> project achievements, was refined and updated following extensive consultations with the government and stakeholders. The proposal received funding from the German Government and was launched on 1 December 2022. It aims to improve public administration performance and accountability at local level through improved human resource management and citizen participation.

Armenia

The <u>"Democratic Development, Decentralisation and Good Governance in Armenia"</u> (DDDGGA) project implemented in the framework of Council of Europe Action Plan for Armenia 2019-2022, with funding from Austrian Development Cooperation came to an end in May 2022.

A short bridging project "Decentralisation and Cross-border Cooperation in Armenia" with funding from member States in the framework of the Council of Europe Action Plan for Armenia 2019-2022 was implemented from 1 July to 30 November 2022.

Democratic Development, Decentralisation and Good Governance in Armenia, Phase II (DDDGGA Phase II) was launched in December 2022 and will run until 31 December 2025, again funded by ADC.

CEGG support to Armenia sought to deliver legal and policy advice to improve the legal framework for local self-government while developing the capacities of local authorities to deliver better services to citizens in the context of decentralisation.

In order to prepare a revised legislative framework, suited to the new territorial map of Armenia, a **comprehensive analysis of 17 legal codes, as well as inventory and mapping of local government competencies in those codes** helped identify several legislative gaps and inconsistencies in the Codes *vis-à-vis* the main local government legislation. DDDGGA Phase II will build on this analysis and help prepare a new Law on Local Self-Government based on Council of Europe standards.

To support fiscal decentralisation and increased financial autonomy of local authorities, the **two important policy advice documents were developed.** Building on the recommendations of the *Peer Review Report: Increasing Fiscal Autonomy and Fiscal Capacity of Local Authorities in Armenia* (CEGG PAD(2021)6), a specific policy document

on the Hotel Tax (CEGG/PAD(2022)1) was developed, followed by a policy paper on *Proposals of Financial Equalisation in Armenia* (CEGG/PAD(2022)2).

This advice contributed to the preparation of **new draft** *Law on Hotel Tax* which aims to place the hotel tax in the broader context of the general tax law and legislation on local administration finance. The proposed legislation is directly in line with outcomes of **three Community Consultation Initiative meetings** held in 2022 (March, May and October).

These Community Consultation meetings offer a platform for all relevant stakeholders and civil society actors to discuss important legislative initiatives aimed at strengthening local governance and increasing fiscal autonomy at community level. The topics addressed in 2022 include legal analyses of the RA constitutional provisions on local self-government and local finances; European experience of hotel tax application, draft amendments to the current draft RA Law on Hotel Tax; as well as concepts for the Law of the Republic of Armenia "On Local Self-Government" and local economic development policy.

Completion of 23 grant projects: Capacity-building activities under DDDGGA led to the preparation of several project proposals that were supported through the award of small grants. These projects, all completed in 2022, were as follows: eight grant projects on live broadcasting of community council sessions; ten grant projects on renovation or development of community facilities; and five inter-municipal cooperation initiatives. Highlights include the live broadcasting of council sessions in all 31 rural settlements of Kapan community (Syunik marz/region); creation of a space within the Aparan municipal building (Aragatsotn marz) for women and young people to meet and participate in local affairs; the development of an inter-municipal sports facility in Vardenis (Gegharkunik marz) that benefited boys and girls from Vardenis and several neighbouring municipalities.

The success of the small grant component is both a validation of the capacity development activities implemented under the project and a testament of effective civil participation at local level. A key assessment criterion in the award of the grants was the extent to which these projects were designed with the involvement of and in response to expressed needs of local civil society actors.

Institutional preparedness and the capacity of a Community to withstand, recover, adapt and persist in the face of crises was supported through the adaptation and piloting of the *Resilience Building Strategies (ReBuS) toolkit*. Following a series of workshops organised in 2021 on how to conduct an in-depth analysis of the preparedness and ability of municipal administration to respond to emergency situations, six Armenian consolidated communities participated as Pilot Communities in 2022 to help adapt the benchmark and establish Community Resilience Taskforces.

A <u>Leadership Academy for Cross-Border Cooperation</u> (LAP for CBC) was launched in 2022, with the aim to breaking down barriers, overcoming obstacles, building friendship, and promoting a common vision for a shared space among Mayors and senior local officials from Armenia and Georgia. The first stage of the LAP for CBC offered about 25 representatives from bordering Armenian and Georgian municipalities the opportunity to develop ideas for cooperation based on culture, heritage, and technological cooperation. The second stage examined the current legal framework in both jurisdictions, helped develop capacities and defined possible measures to overcome obstacles to cross-border cooperation. The first stage of the LAP for CBC was organised in May in Armenia (Dzoraget, Lori region), while the second one in October in Georgia (Akhaltsikhe, Samtskhe–Javakheti region).



Leadership for Cross-border Cooperation, Stage 1, Armenia

Bosnia and Herzegovina

The CEGG supported the piloting of ELoGE through an EU-funded project implemented by the <u>Local Democracy Agency of Mostar</u>. **ELoGE** accreditation was granted in early 2022 and the CEGG supported a further set of training activities based on the ELoGE Benchmark and the Leadership Academy Programme.

Bulgaria

In 2022, the CEGG launched a new project in Bulgaria: *Developing Fiscal Decentralisation* and *Improving Local Financial Management*. The project aims to support increasing financial autonomy of Bulgarian municipalities in line with good European practice and standards by assisting the Bulgarian authorities to:

- Improve the legal, financial, and strategic framework for fiscal decentralisation and increase the level of own revenues of municipalities;
- Develop the competences of local officials to apply relevant benchmarks and measure performance.

A grant agreement with the National Association of Municipalities of the Republic of Bulgaria (NAMRB) to support implementation of the project has recently been agreed. The activities of the CEGG, the 12 Principles of Good Democratic Governance, and main objectives of the project were presented at a National Forum "Bulgarian Municipalities – Achievement of European Quality Standards in Local Governance" from 23-25 November 2022. The Forum also served as the award ceremony for the 6th cycle of ELoGE in Bulgaria.

In 2022, the CEGG also continued its longstanding cooperation with the Central European Service for Cross-Border Initiatives Balkans (CESCI Balkans) and Euroregion Nišava to build cross-border capacities through implementation of the Leadership Academy for Cross-Border Cooperation in the Bulgaria-Serbia Euroregion Nišava. This culminated in the signing of a Memorandum of Understanding between partner authorities on each side of the border at the conclusion of the process in Sofia on 24 November 2022.

Croatia

The CEGG continued its cooperation with the European Association for Local Democracy (ALDA) who have been accredited to deliver ELoGE in Croatia. Following the launch of ELoGE in Zagreb in November 2021, 18 municipalities embarked on the process and 3 completed the process and were awarded the label at an award ceremony in Skopje, North Macedonia on 22 November 2022.

Cyprus

In 2022, CEGG helped develop a project proposal under the National Resilience Plan, which was subsequently approved for funding through the EC's Recovery and Resilience Facility. The Voluntary Contribution agreement should be signed in time for the project to launch by the beginning of 2023. The aim of the project is to support the implementation of the Local Government Reform in Cyprus, providing assistance through Recommendations and Capacity Building activities for staff and elected representatives of local authorities and their associations, in order to improve governance and ultimately the delivery of public services. The Capacity Building component will be based on the toolkits of the CEGG, focusing on: 1) Implementation of measures included in the National Training and Capacity-Building Strategy for the Local Government of Cyprus; 2) Public Ethics Benchmarking; 3) Strategic Municipal Planning and Performance Management Programme; 4) Resilience Building Strategies; 5) Inter-Municipal Cooperation; 6) ELoGE; and 7) Leadership Academy Programme.

The project will be implemented in cooperation with the Ministry of Interior of the Republic of Cyprus, the Union of Cyprus Municipalities, the Union of Cyprus Communities and the Cyprus Academy of Public Administration.

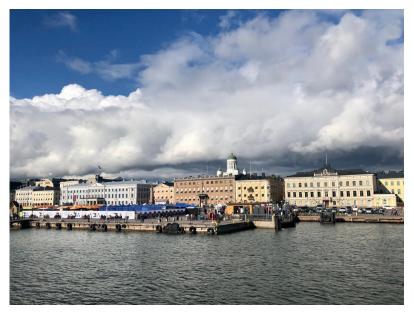
Estonia

At the request of the Ministry of Finance, the CEGG provided support to the Association of Estonian Cities and Municipalities by implementing the toolkit <u>Strengthening Capacity of Local Government Associations</u>. A series of workshops, surveys and interviews with the Association's staff and management board helped identify areas for improvement in its functioning. A report presenting tailored recommendations to address these challenges has been prepared drawing on examples of good practice from other member States.

Finland

Contributing to the ongoing reform on establishing regional governance for provision of health, social welfare and rescue services in Finland in line with good European practice and standards will be the main focus of the new Council of Europe-EU project "Delivering Good Governance and Balanced Local Economy in Finland", to be implemented by the CEGG from 1 September 2022 to 31 August 2024.

During project implementation, CEGG will work in synergy with the Ministry of Finance of Finland to provide legal and policy advice, consultations and workshops to improve the relevant legislative framework and operational mechanisms pertaining to good democratic governance at the local and regional level. Thanks to its unique set of standards and a well-developed repertoire of toolkits, CEGG will also provide capacity-building opportunities to enhance the performance of municipalities and regions through improved awareness, knowledge and skills of relevant Finnish authorities.



To officially mark the launch of the project, the Ministry of Finance hosted a kick-off event in Helsinki on 29 September 2022. Representatives from the European Commission Directorate General for Structural Reform Support (DG REFORM), the Ministry of Finance, the Ministry of Justice, the Association of Finnish Local and Regional Authorities, the Finnish Innovation Fund Sitra, the Wellbeing services, the Regional Councils and the Council of Europe discussed the project's overall objectives, expected outputs and steps forward.

France

Mayors and elected officials from local authorities in France, as well as senior officials from the Institut National d'Etudes Territoriales (INET), the Centre National de Fonction Public Territorial (CNFPT), the Syndicat National des Directeurs Généraux des Collectivités Territoriales (SNDGCT), Association Francaise de du Conseils de Communes et Régions d'Europe (AFCCRE), and Intercommunalités de France met on 30 May 2022 to launch the 2nd cycle of the European Label of Governance Excellence (ELoGE) in France. A podcast for local elected officials and municipal staff was published on the webpage of the CNFPT. A flyer indicating the 6 advantages of the ELoGE label and a user guide for "candidate councils" have also been prepared as a means of encouraging more local authorities to apply to the ELoGE process.

The CEGG has developed close ties with the French National Institute of Local Government Studies (INET), based in Strasbourg. The Institute trains senior officials from French local authorities and is part of the French National Centre of Local Public Service (CNFPT). Throughout the year, staff from the CEGG delivered presentations to groups of students from the INET on the work of the CEGG, the 12 Principles of Good Democratic Governance, and the ELoGE programme.

Georgia

Following the launch of the Leadership Academy Programme for Cross-border cooperation in Armenia in May 2022, the 2nd Stage of the LAP for CBC was held in Akhaltsike, Georgia 17-19 October 2022. Participants examined the legal framework for cross-border cooperation and identified potential ratification of Protocol No. 3 to the Madrid Outline Convention on Cross-border cooperation as a possible solution to launching cross-border cooperation arrangements.



Leadership for Cross-border Cooperation, Stage 2, Georgia

Hungary

A new project "Local Government Public Finance Development and Municipal Capacity Building In Hungary", co-funded by the Council of Europe and the European Union, was launched in September 2022. It was developed in close cooperation with the main beneficiary, the Hungarian National Association of Local Authorities (TÖOSZ) and aims to strengthen the administrative and financial capacity of the municipalities in Hungary.



Launching Conference of the project in Budapest

Through the project, the CEGG will organise a Peer Review and offer policy advice to the Hungarian authorities. It will also support the creation of a Working Group on Local Finances to act as a forum for dialogue and exchange among different tiers of government, and it will facilitate the development of the information system related to financial data on the Local Government Data Platform. Drawing from its wide pool of toolkits (including ELoGE), the CEGG will design a set of benchmarks and performance indicators, focusing on standard services, financial management and public ethics criteria, and will organise capacity-building activities to strengthen the knowledge of good democratic governance issues at the local level.

Italy

CEGG has supported implementation of ELoGE in Italy, in cooperation with the accredited body AICCRE (L'Associazione italiana per il Consiglio dei Comuni e delle Regioni d'Europa), the Italian chapter of the Council of European Municipalities and Regions (CEMR). 39 municipalities were awarded with the Label, a record number which is a testament to the high interest this experience raised among Italian local governments, and to the commitment of the participating ones in concluding the process.



ELoGE Ceremony Italy

In addition, a Leadership Academy Programme was launched for Italian mayors and senior officials in Friuli Venezia Giulia, based on the training materials developed by the CEGG. Furthermore, a group of municipalities from Piedmont will soon be involved in a pilot Inter-Municipal Cooperation scheme, in order to implement the Resilience Building Strategies toolkit and develop a joint civil protection plan for their territory. The ultimate aim is to develop a mechanism to be submitted to the Italian Civil Protection Department, for adoption in other regions and among other municipalities.

Latvia

In early 2022, the ELoGE process was launched by the accredited Latvian institution, Providus, as a means of measuring good governance standards of Latvian local authorities against the 12 Principles of Good Democratic Governance. Providus has committed to promoting the 12 Principles of good democratic governance across the country and raising awareness of the need for continuous improvement of the work of the municipalities. Rolling out ELoGE, which also serves as a diagnostic tool in respect of good governance practices, has helped identify additional needs towards strengthening the Latvian multi-

governance system. As a result, the national authorities have already expressed their wish to develop a more significant project to be implemented by the CEGG as of 2023.



ELoGE - training of trainers Latvia

Lithuania

The final conference for the Council of Europe - European Union co-funded project "Establishment of legal, institutional and financial framework at regional (county) level, capacity-building to enhance quality of regional public administration in Lithuania" was held in Vilnius in November 2022 with the project finishing in December 2022. It delivered support to the Lithuanian government in a number of policy areas related to regional development. A Peer Review Report, prepared following a visit in November 2022, delivered recommendations on territorial / regional development strategies, including cross-border and interregional aspects. A strategic regional planning guide and a comparative study between Lithuania and Finland on the financing of public services at the regional level has helped contribute to policy development in this area. A human resources management manual based on the CEGG Toolkit on HRM was prepared for the newly established Lithuanian Regional Development Councils.

Capacity-building support was also delivered to Lithuanian regional authorities to empower them to improve good democratic governance at the regional level, A series of training workshops on relevant topics, and a study visit to Helsinki were organised to develop capacities of Lithuanian participants and share learning between member States. Topics addressed in the study visit included coordination of the different bodies at the regional level, the politically accountable regional structures as well as on the ambitious plans for reforms to regional governance in the host country.



Study visit in Finland

The regional dimension of the study visit raised interest and brought benefit to the host authorities as well - as confirmed by the Finnish counterparts.

Malta

The CEGG has been supporting the Local Government Division (LGD) of the Maltese Ministry for National Heritage, Arts, and Local Government, in the implementation of ELoGE. The second round of ELoGE in Malta was launched with a workshop for representatives of Maltese local councils in June with the participation of Ms Hon. Alison ZERAFA CIVELLI, Parliamentary Secretary responsible for Local Government. A follow-up workshop for the 3 participating municipalities will be organised in early 2023. The CEGG has also been working closely with the Ministry and the Local Councils Association to prepare a project proposal for the EU funding, to promote good democratic governance at local level in Malta. A new policy paper developed by the Local Government Department for Local Governments referred to ELoGE as a means of improving good democratic governance at local level in Malta.

Republic of Moldova

The Institute for Development and Social Initiatives (IDIS) "Viitorul", with the support of CEGG, has been implementing the Best Practice Programme (BPP) since 2007 to identify, promote and disseminate good practice among local public authorities. An anthology of best practices is regularly uploaded onto the IDIS "Viitorul" website and shared with all municipalities.

The topics for 2022 were defined by the project's steering group in line with priority areas of the Council of Europe, including addressing issues related: to green/ sustainable development; the digitalisation of public services; building resilience in democratic governance; cross-border cooperation. The impact of the war in Ukraine, and good practice of Moldovan local authorities in hosting refugees from Ukraine might also be considered as a topic that has had a significant impact on the local population. An Award Ceremony was held in Chisinau, Moldova on Wednesday 21st December 2022. This also served as an occasion to celebrate publication of an anthology of the best practice identified by 57 local authorities in Moldova from 2020-2022

North Macedonia

Following launch of the ELoGE project in Skopje in November 2021 by ALDA, a workshop was organised for the ELoGE coordinators from the 14 participating municipalities in March 2022. An award ceremony for Municipalities awarded the label in North Macedonia, Croatia, and Kosovo* was organised in Skopje on 22 November 2022.

Portugal

Following the successful launch of <u>ELoGE in Portugal</u> in cooperation with UDiTE – the European Federation of Local Government Chief Executives, and ATAM – the Portuguese Association of employees of local administrations in 2020, a second cycle was initiated in July 2022. A workshop was organised in Alenquer, Portugal, on 19 September 2022 with 10 participating municipalities. The award ceremony is foreseen in the context of an ELoGE ceremony at the Congress session in Strasbourg in March 2023.

Serbia

The Human Resources Management in Local Self-Government Phase 2 project in Serbia came to an end in December 2022. The Council of Europe was the main partner of the Ministry of Public Administration and Local Self-government (MPALSG), and the National Academy for Public Administration (NAPA) in the implementation of the public administration reform at the local level in the Republic of Serbia.

In 2022, MPALSG was supported in integrating competencies into the recruitment and selection process in local self-governments (LSGs), resulting in a draft Decree together with instruments/model acts for assessing competencies in the recruitment and selection

^{*} All references to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations' Security Council Resolution 1244 and without prejudice to the status of Kosovo.

procedures. 30 LSGs were directly supported in introducing competencies into their human resources plans and systematisation acts. The new Strategy for Public Administration Reform (2021-2030) and its accompanying Action Plan (2021-2025) place the introduction of a competency framework as central to Human Resource Management reforms at the local level.

The results of an ex-post analysis of the Law on Employees of Autonomous Provinces and LSG in relation to professional development system involving all relevant stakeholders (MPALSG, Council for Professional Development, NAPA, SCTM and LSGs) were presented in April 2022. The findings will enable LSGs to tackle challenges and issues in the professional development system and will serve as a baseline for further reforms.

In cooperation with National Academy for Public Administration (NAPA), CEGG delivered 82 webinars and 8 regional trainings for LSGs representatives on topics identified by NAPA and LSGs following an extensive Training Needs Assessment process. More than 1500 participants from LSGs attended these trainings. This led to the development of a Methodology for Monitoring and Evaluation of Trainings based on CEGG toolkits and piloted through 15 selected trainings.



The Methodology was presented at a hybrid conference in October 2022, attended by approximately 100 participants in person, and 140 online.

A three-day peer-review was organised on 18-20 October mobilising Peers from five member States (Latvia, Austria, Germany, Spain and United Kingdom). Peers met with representatives of NAPA, MPALSG, SCTM and three LSGs offering them an opportunity to develop a comprehensive and objective understanding of the professional development system for LSG employees.



Furthermore, in order to build local ownership and ensure sustainable outcomes, a Training for Trainers was organised in order to increase the pool of accredited NAPA trainers capable of delivering trainings based on CEGG Toolkits thus further disseminating knowledge and building capacities at local level across Serbia.

The CEGG E-learning course on Good Democratic Governance was completed by over 80 participants. Representatives from 50 local government units participated in a peer-to-peer works, on 1-3 June 2022, aimed at sharing good practice and strengthening capacities in HRM.



An International Conference on Human Resources Management was held on 20 September 2022. High-level representatives from the Ministry of Public Administration and Local Self-Government, CEGG, the EU Delegation to the Republic of Serbia and the Standing Conference of Towns and Municipalities,

addressed the audience. The Conference also served as an opportunity to present and launch the new CEGG Toolkit on HRM. Approximately 70 participants from 31 LSGs attended the Conference.

The <u>Project Final Conference</u> was organised in Belgrade on 17 November 2022.

Slovak Republic

Faced with challenges not only related to the Covid 19 pandemic but also political factors such as local and regional elections, the Council of Europe – European Union Joint Project "Delivering Good Governance in Slovakia – II phase" launched in December 2020, was extended until May 2023 to ensure the necessary time to complete the project activities. Building up on the results of the project's I phase, CEGG has provided policy advice to the Slovak government, notably related to the following areas:

- strengthening the status of Slovak cities and municipalities, based on a peer review
 by relevant European experts and practitioners identified in cooperation with the
 CDDG (report under advisement of the SK government and to be officially
 submitted as soon as feedback is received);
- competences, powers, finances and the coordinating role of the regional level of self-government in Slovakia;
- the status of the Capital City Bratislava and the City of Košice;
- strengthening the financial independence of local and regional governments and enhancing their financial management capacities (*report to be submitted by end of January 2023*).

The comprehensive package of concrete recommendations should help the Slovak government make a well-informed decision on the pending reform related to the national multi-level governance system, in line with Council of Europe standards on good

democratic governance and the most relevant European practice. In addition to the policy recommendations, CEGG has simultaneously implemented different capacity-building tools for the local authorities, in cooperation with several local partner organisations. The tools touch upon areas such as: Strategic Municipal Planning, Public Ethics Benchmarking, Local Finance Benchmarking, preparation of different national training programmes and implementation of the second round of <u>ELoGE</u> in the country.



2nd round of ELoGE in Slovakia – Awards ceremony

Spain

The Chair for Good Governance and Public Integrity of the University of Murcia organised, with support from the CEGG, the first round of ELoGE in the region of **Murcia**. 7 municipalities from the region participated, and 2 received the Label. The Award Ceremony was held in Murcia on 23 November. A representative of EUDEL (Basque local authorities) participated in the ELoGE launch event for France to share the experience of ELoGE in the Basque region.

Türkiye

The <u>Arguden Governance Academy</u> and Marmara Municipalities Union received accreditation to deliver ELoGE in Türkiye on a pilot basis as a part of the MATRA-Dutch-funded project. The 12-month project is called "**Integrated Municipal Good Governance Model**" sought to operationalise the 12 principles at every stage of municipal governing processes.

The CEGG also contributed to a Webinar on Integrated Municipal Governance, presenting the CEGG Toolkits and the 12 Principles of Good Democratic Governance.



An award ceremony in Istanbul on 2 November 2022, attended by over 300 participants, heard about the merits of the ELoGE process; the relevance of the 12 Principles of Good democratic governance; and the importance of engaging with citizens at local. The Mayors of two municipalities, Şişli and Sultanbeyli, acknowledged the contribution of the Council of Europe and expressed hope that ELoGE could be extended nationally in the next cycle.

Ukraine

The CEGG completed its 27-months project "Enhancing decentralisation and public administration reform in Ukraine" implemented between 1 October 2020 and 31 December 2022 with a total budget of €1.800.000. The project was implemented in the context of the Council of Europe Action Plan for Ukraine in 2018-2022.

The project was initially designed to support the effective functioning of the local self-government system in Ukraine in compliance with European standards and good practice and to ensure the provision of high-quality public services. The CEGG was making good progress towards the intended outcomes until the full-scale Russian invasion on of Ukraine on 24 February 2022.

The CEGG maintained its leading role in providing <u>Policy advice</u>, related to the highly contested issue of legal personality at local level. Building on extensive work carried out under the project in 2021, in co-operation with the CDDG, the key national partners, the Specialised Parliamentary Committee on local self-government and the Ministry in charge of local governance (MinRegion), established an expert group to elaborate proposals to implement Council of Europe recommendations on strengthening local autonomy.

A public <u>presentation of the policy advice to the international community</u> was organised by the Council of Europe on 26 January 2022 to present recommendations for further legislative developments. A pilot training programme for representatives of State administrations on supervision of local authorities acts based on <u>CM/Rec(2019)3</u> was launched with a Training of Trainers session for civil servants, lawyers and judges.

In May 2022, the project was revised in line with the Priority Adjustments to the Council of Europe Action Plan for Ukraine and adapted to the wartime context with an increased budget of €240.000 or 15 %.

In line with the project's updated key outcomes, the CEGG's major interventions until December 2022 were focused on:

- (i) legal and policy advice at national level;
- (ii) support to intermunicipal co-operation and offering local services to the population;
- (iii) awareness raising of municipal governance in a time of crisis.

Under the first outcome, the key thematic areas for CEGG intervention were exercise of local authorities' powers under martial law, human resources management, legal personality at local level, State representation at sub-national level, governance in the capital city Kyiv, recovery of Ukraine from the consequences of the conflict, and enhancing good democratic governance in a post-war recovery context.

Throughout 2022, CEGG supported the MinRegion with local expertise in developing guidelines relating to functioning of local authorities and military administrations; and the distribution of powers and responsibilities between them under martial law. Furthermore, as a result of consistent CEGG local consultancy support, authorities of at least five regions were enabled to introduce the first stages of functioning of military administrations: Donetsk, Kharkiv, Kherson, Luhansk and Zaporizhzhya regions.

<u>Policy Advice</u> on the Roadmap for Local Self-Government Recovery from the Consequences of the War in view of was produced in response to a request from the Specialised Parliamentary Committee on Local Self-Government and in light of consultations with national stakeholders held in June 2022.

A joint initiative on enhancing good democratic governance in post-war context was launched on 29 June with the "Supporting the transparency, inclusiveness and integrity of electoral process in Ukraine – Phase III" project.

On 8-9 November, CEGG co-organises a high-level dialogue to discuss perspectives for relevant reforms in Ukraine that sought to reach broad agreement among key national

¹ implemented under Council of Europe Action Plan for Ukraine by the Elections and Participatory Democracy Division, Directorate of Human Dignity, Equality and Governance of the Council of Europe.

stakeholders as regards further actions to improve the legal framework on multi-level governance and elections in line with European standards and good practice. This dialogue was facilitated by DG II, the Venice Commission, PACE and the Congress.

To promote metropolitan governance in Ukraine, and following the recommendations laid out in the Council of Europe <u>Policy Advice</u> on the Roadmap for Local Self-Government Recovery (prepared by the CEGG in June) the CEGG contributed to:

- ➤ drafting a law on agglomerations in consultation with local authorities to be most affected by the future law, in partnership with the Association of Ukrainian Cities and taking into account CEGG legal expertise of 2020 and 2017;
- drafting a Strategy for Lviv agglomeration development in close cooperation with local and regional partners based on the CEGG toolkit on <u>Strategic Municipal Planning</u>.

CEGG's support to selected local authorities enabled them to deliver administrative services on de-occupied territories. Namely:



• residents of 31 settlements of Kyiv region's Borodianka community, all located between 5 and 19 kilometres from the municipal centre, now have access to administrative services. The community mobile one-stop shop – centre for administrative services provision was equipped as a result of Project support in May 2022;

CEGG support enabled mobile one-stop shop to be fitted with IT equipment (Borodianka community, Kyiv region)

- Later in 2022, CEGG provided IT equipment to enable provision of administrative services in some 50 additional communities on de-occupied territories, which were most affected by the Russian invasion (Chernihiv, Dnipro, Donetsk, Kharkiv, Kherson, Luhansk, Mykolaiv, Sumy, Zaporizhzhya);
- The CEGG launched a grant programme to reinforce local economy and good governance by improving formal and informal education service provision to the population, including for children with disabilities and with the participation of internally displaced persons. The grant programme was implemented in 6 pilot communities from 3 Western regions of Ukraine (Khmelnytskyi, Lviv, Ternopil), and resulted in:

- Establishment of up of <u>5 co-working spaces</u> specialising in sewing, woodworking, baking and microgreens growing and 1 multifunctional art workshop thus enhancing communities' capacity to produce food products and basic consumer essentials;
- Methodological recommendations and practical guidelines were prepared jointly with the Ministry of Education relating to further development of similar school co-workings or workshops, including for children with special educational needs;
- Improved administrative capacity of the centre and professional capacity of teachers through the provision of educational, consulting and mentoring support.

In addition, in October 2022, an awareness raising campaign was launched to promote a grant programme aimed at developing local economic actors and supporting meaningful participation in decision-making processes at local level.



CEGG also co-organised a series of online conferences "Local Governments Unite for Welfare and Peace" bringing

together over 1000 participants and speakers from 35 countries. The participants included Mayors and Deputy Mayors of Athens, Bergen, Cannes, Chernihiv, Chicago, Dublin, Freiburg, Kharkiv, Krakow, Kyiv, Mariupol, Montreal, Riga, Strasbourg, Tampere, Vienna, Vilnius, Wrocław and Zürich. This marathon was the first international high-level and multilateral exchange platform established upon the initiative of the Ministry for Territorial Development, with CEGG support, after the invasion began. It enabled meaningful interaction between local authorities in Ukraine and beyond, including the media, complemented new and strengthened existing co-operation between local authorities and increased support to Ukraine. As a follow up to this online "marathon" and in line with the CEGG toolkit on <u>City to City Cooperation</u> the project developed a manual regarding municipal partnerships.

High-level public discussions on policy development, such as <u>Richelieu Forum on Public Service</u> organised by the National Agency on Civil Service in Kyiv on 22 September and the 9th <u>Local Self-Government Forum</u> in Lviv on 21-22 September brought together about 200 face-to-face and around 1500 online participants.

The CEGG also continued implementing its <u>Best Practice in Local Government</u> toolkit and national contests inspired by it: 7th National Media Contest focusing on public administration in a time of crisis and the Best practice programme on human resources development.

In 2023, CEGG will continue providing expertise and support to Ukraine building upon past achievements in good democratic governance, to strengthen public administration at central and local levels in Ukraine during the war and in a post-war context.²

Irrespective of the permanently changing and volatile context, the CEGG remains a valued advisor to the Government, the Parliament, and local authorities in Ukraine on standards and values in respect of good democratic governance.



Horodok community, Khmelnytskyi region)

Kosovo*

ALDA was granted accreditation to implement ELoGE in Kosovo*. ELoGE was launched at a ceremony in Pristina in April 2022, in cooperation with the Ministry of Interior. A capacity-building and awareness-raising workshop was organised for the 13 participating municipalities in June 2022. Municipalities having demonstrated their respect for the 12 Principles of Good Democratic Governance were recognised at an award ceremony in Skopje, North Macedonia on 22 November 2022.

² In line with the priorities as envisaged by Ukraine's National Recovery Plan (section "Public administration", sub-section on local self-government reform) and under the new Council of Europe framework document for co-operation programmes in Ukraine "Resilience, Recovery and Reconstruction", to be launched as of 1 January 2023.

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4. Capacity-building tools

The development and promotion of innovative capacity-building tools are among the priorities of CEGG. These tools take inspiration from the best of European practice and enable the reinforcement and evaluation of local authorities' capacities in a variety of areas. The tools are regularly revised and updated, and new tools are developed in response to emerging needs.

All relevant organisations are encouraged to use the tools provided that the copyright is respected, qualified experts are used, and CEGG is informed. The CEGG can provide assistance in the adaptation and implementation of the tools and in the training of national experts.

In 2022, CEGG invested in updating several existing toolkits, with the current repertoire of 25 toolkits, all available on the CEGG <u>website</u>. The updated and new editions include toolkits on Human Resource Management, Strategic Municipal Planning, and the Peer Review Process. The e-learning <u>Course</u>: 12 <u>Principles of Good Democratic Governance</u> (coe.int) can be accessed from the Council of Europe HELP platform.

5. Prospects for 2023

The CEGG will continue to implement the Strategic Plan for 2022-25. Its priorities are fully aligned with those identified in the Secretary's General 2022 Annual Report, in the Strategic Framework of the Council of Europe for 2022-25, and in the 2022-2025 Terms of Reference of the CDDG. The latter is of particular relevance as it will include the drafting of a Recommendation on Principles of Good Democratic Governance applicable to all levels of government, a recommendation on deliberative democracy, as well as a recommendation on multilevel governance. The CDDG will also publish reports on green public administration, and the use of technology, including artificial intelligence in the public sector, and on delivering social services at local level.

CEGG will support this work by developing tools and projects that will contribute to the collection of best practice and support practical implementation of standards developed by the CDDG. The main priority of the CEGG will be to continue to respond to the needs of member States in the area of good democratic governance. The main new areas in which member States would like to be supported include digital transformation of public administration, use of technologies and new working methods to deliver better quality of governance, building resilience at all levels of government, crisis management, public ethics.

As outlined above, several large, externally funded projects will continue in 2023 in Albania, Armenia, Bulgaria, Cyprus, Finland, Hungary, Slovak Republic, Serbia and Ukraine. New projects continue to be discussed and negotiated with donors and member States. The ordinary budget of the CEGG will be dedicated to providing support to the Council of Europe member States that submit requests for legal or policy advice and capacity-building in the area of good governance. The continuous implementation of various toolkits is foreseen in several member States including Croatia, Italy, North Macedonia, Poland, Spain and Türkiye. More toolkits will be updated, including the current ELoGE benchmark.

Cooperation with international partners will continue, especially in the areas of digitalisation and modernisation of public administration, pandemic-related responses, good democratic governance, cross-border cooperation, public ethics and local finance. Supporting the UN 2030 Agenda and implementation of SDGs will also remain among the priorities.

List of abbreviations

ADC: Austrian Development Cooperation

AEBR: Association of European Border Regions ALDA: European Association for Local Democracy

BPP: Best Practice Programme C2C: City to City Cooperation CBC: Cross-border Cooperation

CDDG: European Committee for Democracy and Governance

CEGG: Centre of Expertise for Good Governance

CEMR: Council of European Municipalities and Regions

CESCI: Central European Service for Cross-Border Initiatives DGII: Directorate General of Democracy and Human Dignity

DDDGGA: Democratic Development, Decentralisation, and Good Governance in Armenia

DG REFORM: Directorate General for Structural Reform Support

ELoGE: European Label of Governance Excellence

EU: European Union

EUDEL: Association of Basque local authorities

HRM: Human Resources Management

IMC: Inter-municipal Cooperation

INET: French National Institute for Territorial Studies (Institute National des Etudes

Territoriales)

ISIG: Institute of International Sociology of Gorizia

LAP: Leadership Academy Programme

LFB: Local Finance Benchmark

MPALSG: Ministry of Public Administration and Local Self-government (Serbia)

NAMRB: National Association of Municipalities of the Republic of Bulgaria

NAPA: National Academy of Public Administration (Serbia)

PEB: Public Ethics Benchmarking Programme PMP: Performance Management Programme ReBuS: Resilience Building Strategies Toolkit

SDG: Sustainable Development Goal SMP: Strategic Municipal Planning TNA: Training Needs Assessment

TÖOSZ: Hungarian National Association of Local Authorities

UDiTE: European Federation of Local Government Chief Executives