STRUCTURE AND OPERATION
OF LOCAL AND REGIONAL
DEMOCRACY

Cyprus
Structure and operation of local and regional democracy

Cyprus

Situation in 1998

Report adopted by the Steering Committee on Local and Regional Democracy (CDLR) in June 1998

Council of Europe Publishing
French edition:

*Structure et fonctionnement de la démocratie locale et régionale : Chypre*

ISBN 92-871-3868-0

Studies appearing in the series “Structure and operation of local and regional democracy”:

**1st edition**
1992: Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland
1993: Czech Republic, Estonia, Hungary, Lithuania, Malta, Turkey, United Kingdom.

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For further information, please contact:
Territorial Authorities, Transfrontier Co-operation and Regional Planning Division
Directorate of Environment and Local Authorities
Council of Europe
F-67075 Strasbourg Cedex

Tel.: +33 (0)3 88 41 23 11
Fax: +33 (0)3 88 41 27 84
e-mail beverly.gilroy@coe.fr

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Council of Europe Publishing
F-67075 Strasbourg Cedex

ISBN 92-871-3869-9
© Council of Europe, March 1999
Printed at the Council of Europe
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1. **LEGAL BASIS**

1.1. **Constitutional provisions**

Article 173 of the Cyprus Constitution contains provisions for the establishment of separate (Greek/Turkish) municipalities in the five major cities of the island, namely Nicosia, Limassol, Famagusta, Larnaca and Paphos.

Article 178 of the Constitution provides for the establishment of municipalities in the rest of the areas in Cyprus. The two communities of the island should be proportionally represented on municipal councils.

1.2. **Main legislative texts**

The rules governing the organisation and operation of municipalities are laid down in the Municipalities Law 111/85. Each municipality is entitled to draw up its own regulations that should be approved by the Council of Ministers and the House of Representatives.

There is also legislation for the organisation and operation of improvement boards and village authorities. Specifically there is the Villages Law (Administration and Improvement) which concerns the establishment, the operation, duties and powers of improvement boards, and the Village Authorities Law.

2. **STRUCTURE OF LOCAL AUTHORITIES**

2.1. **Main subdivisions**

Cyprus has a three-tier system of local government: municipalities, improvement boards and village authorities.

2.2. **Statistical data**

Today, the territorial units are as follows there are thirty-two municipalities, eighty-six improvement boards and 453 village authorities.

In addition, there are six administrative districts.

<table>
<thead>
<tr>
<th>Local authorities</th>
<th>Maximum area in km²</th>
<th>Minimum area in km²</th>
<th>Average area in km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villages</td>
<td>49.32</td>
<td>0.34</td>
<td>11.22</td>
</tr>
<tr>
<td>Municipalities</td>
<td>78.52&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.71&lt;sup&gt;b&lt;/sup&gt;</td>
<td>31.71</td>
</tr>
<tr>
<td>Improvement boards</td>
<td>151.98&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0.38&lt;sup&gt;d&lt;/sup&gt;</td>
<td>14.01</td>
</tr>
<tr>
<td>Districts</td>
<td>2 717.18&lt;sup&gt;e&lt;/sup&gt;</td>
<td>640.82&lt;sup&gt;f&lt;/sup&gt;</td>
<td>1 441.85</td>
</tr>
</tbody>
</table>

<sup>a</sup> Akanthou   <sup>b</sup> Mesa Yeitonia   <sup>c</sup> Rizokarpaso   <sup>d</sup> Anthoupolis   <sup>e</sup> Nicosia   <sup>f</sup> Kyrenia
### Municipalities according to the number of their inhabitants*

<table>
<thead>
<tr>
<th>Number of inhabitants</th>
<th>Number of municipalities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 0 to 1 000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>From 1 000 to 5 000</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>From 5 000 to 10 000</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>From 10 000 to 50 000</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td>From 50 000 to 100 000</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Over 100 000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* This table does not include the nine municipalities under Turkish occupation.

#### 2.3. Regulations governing changes in structures

The provisions for administrative and territorial changes of municipalities are included in the Municipalities Law (111/85). Specifically, after the interested municipality has applied for any change in its boundaries the Council of Ministers can according to Article 8 of the above law, approve any modification of the boundaries of a municipality by an order published in the Official Gazette. Also Article 5 of the above law has provisions for the amalgamation of one municipality with another unit of local government which can be another municipality, an improvement board or a village authority.

#### 2.4 General units of state administration at local/regional level

The district commissioners are the government’s principal representatives at local authority level.

There are six district commissioners who are responsible for the local authorities that are situated in the six districts that exist in Cyprus Nicosia, Limassol, Larnaca, Paphos, Famagusta and Kyrenia.

The district commissioners ensure that the activities of the local authorities are carried out in accordance with the legislation, regulations and budgetary provisions of central government. They are also responsible for applying government policy where it concerns rural development, for organising and carrying out the elections, and for issuing various licences and certificates.
The levels of public administration in Cyprus

New legislation under preparation provides for the elimination of the improvement boards and the village authorities which will be replaced by a single level of government: the communities, governed by the community councils.
3. ORGANISATION OF LOCAL AUTHORITIES

The organisation of municipalities is highly structured contrary to that of the improvement boards and village authorities. For this reason this chapter mainly concentrates on municipalities.

3.1. Deliberative body

The municipal council is the main deliberative authority of the municipalities.

The members of the council are elected by the inhabitants of each municipality by a direct and secret ballot under a system of proportional representation.

Size of the municipal council
(according to Article 11 of the Municipalities Law 111/85)

<table>
<thead>
<tr>
<th>Size of the municipality (inhabitants)</th>
<th>Size of the municipal council (councillors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 6 001</td>
<td>8</td>
</tr>
<tr>
<td>6 001-8 500</td>
<td>10</td>
</tr>
<tr>
<td>8 501-11 000</td>
<td>12</td>
</tr>
<tr>
<td>11 001-13 500</td>
<td>14</td>
</tr>
<tr>
<td>13 501-16 000</td>
<td>16</td>
</tr>
<tr>
<td>16 001-18 500</td>
<td>18</td>
</tr>
<tr>
<td>18 501-21 000</td>
<td>20</td>
</tr>
<tr>
<td>21 001-23 500</td>
<td>22</td>
</tr>
<tr>
<td>23 501-26 000</td>
<td>24</td>
</tr>
<tr>
<td>More than 26 000</td>
<td>26</td>
</tr>
</tbody>
</table>

In the case of the creation of a municipality resulting from the merger of several village authorities (and/or improvement boards), the number of municipal councillors will be at least twice the number of component administrative units: half will be elected by all the inhabitants of the newly created municipality and the other half by the component village authorities (and/or improvement boards). The number of councillors elected by each component unit will be proportional with its population, but will be at least one.

The deliberative body of the improvement board is the improvement board council and of the village authorities is the village authority commission.

3.2. Executive body

Once a municipal council is officially elected, then its members, together with the president of the council, who is actually the mayor, decide what committees to form and what tasks each committee should have.

The committees are assigned a responsibility to examine various matters that concern the municipality. Article 44 of the Municipalities Law has a provision for the establishment of a management committee that should consist of at least one third of the number of council members but not more than half of the number of council members.
The duties of this committee are specified in Article 47 of the relevant law. This committee has to prepare the budgets of the municipality and to submit them to the municipal council for approval. It prepares the annual report and annual accounts of the municipality and presents them to the municipal council for approval. Once the annual accounts have been finally checked by the general auditor/controller of the government, the committee undertakes the task of publishing the annual report using any method the municipal council wants. It also helps and advises the mayor in matters concerning his duties, responsibilities and powers, co-ordinating the work of the various committees that are formed by the council and carrying out any duties that might be assigned to it by the mayor.

Article 45 of the Municipalities Law has a provision for the appointment by the municipal council of various committees consisting of members of the municipal council. These committees will be assigned the task of examining various matters that can be better dealt with by committees rather than the council as a whole. According to the above article, the members of each committee should come from all political parties and the chairman of each committee should be a member of the management committee. All actions taken by each committee should be approved by the council. The mayor can be present at any of the meetings of the committees and when he/she is present then he/she is the chairperson. The decisions made by each committee should be approved by the majority of the members of each committee. In case however there is equality of votes the chairperson of each committee has a second casting vote.

3.3. Political head

The political head of each municipality is the mayor. The mayor is the chairperson of the council and the management committee. He/she, as has been already mentioned, can be the chairperson of any committee if he/she so wishes.

He/she is elected directly by the inhabitants of the municipality with voting capacity by a single-round secret ballot.

The mayor is also the executive authority of the municipality and represents the municipality in any of its official relations. He/she represents the municipality in court and before any public authority; he/she prepares the agenda for the municipal council meetings and calls together such meetings; he/she executes the decisions made by the municipal council, presides over all the departments/services of the municipality; he/she orders the collection of municipal revenues; he/she may authorise any municipal clerk/employee to sign any licence which is issued according to the Municipalities Law; he/she carries out whatever task is assigned to him/her according to the provisions of the Municipalities Law or any municipal regulations.

3.4. Head of administration

The municipal secretary is appointed by the council and he/she is required by law to assist the council, the mayor and any committees in the exercise of their duties. He/she attends all meetings of the council and of the committees and is responsible for recording the minutes/proceedings.
4. PUBLIC PARTICIPATION

4.1. Referendums

The Municipalities Law has provisions for carrying out local referendums in order to find out whether the registered voters of a certain town, improvement board, village or complex of towns where the population is more than 5,000 inhabitants, want their town, improvement board, village or complex of towns to be designated a municipality. In cases where the population is less than 5,000, there is a possibility of carrying out a referendum in order to find out what the inhabitants want, with the approval of the Council of Ministers, which should be convinced that the relevant area is economically developed and can operate as a municipality. There are also provisions for carrying out local referendums in order to find out whether the registered voters of a certain local government unit wish to amalgamate with a neighbouring municipality provided that the council of the neighbouring municipality has no objection to doing so. A “local government unit” can be a municipality, an improvement board or a village. There are also provisions for carrying out local referendums in order to decide whether to dissolve a municipality.

The Villages Law (Administration and Improvement) also has provisions for carrying out referendums to find out whether the registered voters of a village want their village to be designated an improvement board, there are provisions for arranging local referenda in order to decide whether to abolish an improvement board.

4.2. Other forms of direct participation

The municipal councils can hold open meetings to discuss various matters and the citizens who are present can ask questions and make proposals or criticisms.

5. CONDITIONS OF OFFICE OF LOCAL ELECTED REPRESENTATIVES

5.1. Conditions of eligibility and term of office

To be elected as a council member or as a mayor the candidate needs to be a resident of the respective municipality and to fulfil the requirements that are specified in Article 16 of the Municipalities Law:

- be a Cypriot citizen and at least 25 years of age;
- not be mentally handicapped;
- not have been declared bankrupt;
- not have been accused of a criminal offence during the five-year period preceding the election;
- not be a minister or member of parliament;
- if a candidate is a public officer or municipal clerk or an employee of a semi-government authority or police officer or military service person then he or she is permitted to apply for candidature but if elected, in order to undertake the office of a mayor or a municipal council member, he/she has to resign.

The term of office is five years.
5.2. Duties and responsibilities of local elected representatives

Elected representatives must attend all meetings of the municipal council or of the committees of which they are members. However, representatives are not allowed to attend meetings concerning matters in which they have a personal, financial or other interest.

5.3. Working conditions

Elected municipal representatives and members of the councils do not have their own offices in the town halls. There are meeting rooms for the councillors. Administrative services for the activities of the municipal council, committees and councillors are provided by the secretariat of the local administration.

Meetings must be held at times that interfere as little as possible with members’ regular employment.

5.4. Remuneration

Municipal councillors as well as the mayor receive compensation and allowances that have to be approved by the Council of Ministers.

6. DISTRIBUTION OF POWERS BETWEEN LOCAL AND CENTRAL AUTHORITIES

6.1. Principles governing the distribution of powers

Municipalities, improvement boards, and village authorities have the right, within the limits of the competencies conceded to them by the Constitution and by the Municipalities Law, Villages Law (Administration and Improvement) and the Village Authorities Law, to make decisions.

At the same time, all local authorities are given the responsibility for tasks that first and foremost affect the inhabitants in each particular local government unit.

A basic principle is that responsibilities or tasks conferred on municipalities, improvement boards and village authorities must be prescribed by law. However, there is a general clause enabling the latter to undertake any local functions that are not vested by law in other institutions.
6.2. Responsibilities of the municipal council

Subject to the law and within the limits of its financial means, the municipal council carries out the following duties:

- is responsible for implementing the town plan;
- provides for the construction, maintenance and operation of the water supply system, sewer system, drainage of rain water system, streets and bridges, cemeteries, public baths, convalescent homes and charitable institutions, slaughterhouses, municipal radio station, parks and gardens, swimming pools, recreation centres, municipal markets;
- the naming of streets and squares;
- provides, controls and is responsible for public health, cleanliness, sanitary conditions and the appearance of municipalities and for the protection of the environment;
- regulates, controls and restricts professions or work which may be injurious to public health or which could affect public amenities, the keeping and breeding of animals and birds, theatres and other places of entertainment and exhibition institutions and place, bathing in the sea and swimming pools which are not under its direct authority;
- supervises and controls bakeries;
- can borrow from a bank or the co-operative at which the account of the municipality is kept, any sum not exceeding in total 20% of the estimated revenue of the municipality, for the period for which the estimates are made;
- can acquire any immovable property for a purpose of public utility;
- establishes and levies the tourism fee for every night spent by any person in hotels or other tourist lodgings;
- can promote artistic and sporting activities;
- grants gratuities, pensions and other facilities and constitutes different funds for the benefit of municipal employees and their families.

6.3. Participation of local authorities in national economic and spatial planning

There is no direct participation by local authorities in national economic planning. However, when the state prepares economic plans it takes into consideration the needs of local authorities concerning subsidies, loans, etc.

According to Article 16 of the Town and Country Planning Law, any local authority can undertake the task of producing and submitting to the Minister of the Interior any development plan for the area under its jurisdiction. Specifically any local authority can develop a local plan or an area scheme. The local plan is more general than the area scheme, which is a specific and a detailed development plan. It is noted that the Minister of the Interior, who is responsible for town and country planning, can order any local authority to produce a development plan and in this case the local authority is obliged to do so.

Any development plan produced, whether a local plan or an area scheme, is subject to the approval of the Minister of the Interior. The approved plan might be different to the one prepared by the local authority. There is also a possibility that the minister may reject completely any development plan prepared by the local authority.
According to Article 17 of the Town and Country Planning Law, the Minister of the Interior can convey the duty of producing development plans to any person or organisation. The produced plan is subject to the approval of the minister. Moreover, Article 12 of the above Law has a provision which allows the Minister of the Interior to consult a board called the Common Board and which consists of members who are assigned by the Council of Ministers. The latter assigns, among others, representatives of the affected local authorities.

Article 7 of the above Law has provisions for the production of a general plan of the island. According to this article, the Minister for Finance must, in case it is so asked by the Council of Ministers prepare a general development plan for the whole island. This plan, which is subject to the approval of the Council of Ministers, prescribes the general policy and guidelines applied for the promotion and control of development. It also shows the intentions of the central government regarding the use of immovable property within the country, in respect of the distribution of population, the promotion of industry and commerce, tourism, etc.

6.4. Tasks delegated to local authorities acting as agents of the central authority

According to administrative practice, if a task of the central government can be performed at a lower level, then the task will be delegated at that level. For example, if a decision has to be made by the Minister of the Interior, and if the provisions of the relevant law permit the delegation of authority to a lower level, then the minister delegates the authority to the district commissioner.

6.5. Proposals or bills leading to a change in the distribution of powers

Various amendments already made in the Municipalities Law, Village Law (Administration and Improvement), Village Authorities Law and other anticipated measures have led and will lead to a further distribution of powers.

The following table shows the distribution of competencies between the state and local authorities.
## The competencies of local and regional authorities

<table>
<thead>
<tr>
<th>Function</th>
<th>Competent authority</th>
<th>Type of competence</th>
<th>Exercise of the competence</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State</td>
<td>Intermediate</td>
<td>Municipality</td>
<td>Exclusive</td>
</tr>
<tr>
<td>General administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security, police</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Fire protection</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Civil protection</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<td>Justice</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<td>Civil status register</td>
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<td>●</td>
<td>●</td>
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<td>Statistical office</td>
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<td>●</td>
<td>●</td>
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<td>Electoral register</td>
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<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-school education</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Primary education</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Secondary education</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Vocational and technical</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Higher education</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Adult education</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Health protection</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>
### The competencies of local and regional authorities

**Cyprus**

<table>
<thead>
<tr>
<th>Function</th>
<th>Competent authority</th>
<th>Type of competence</th>
<th>Exercise of the competence</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State</td>
<td>Intermediate</td>
<td>Municipality</td>
<td>Exclusive</td>
</tr>
<tr>
<td>Social welfare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kindergarten and nursery*</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family welfare services</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare homes*</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Housing and town planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>●</td>
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<tr>
<td>Town planning</td>
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<tr>
<td>Regional/spatial planning</td>
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<tr>
<td>Environment, public sanitation</td>
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<tr>
<td>Water &amp; sewage</td>
<td>●</td>
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<td></td>
</tr>
<tr>
<td>Refuse collection &amp; disposal</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cemeteries &amp; crematoria</td>
<td>●</td>
<td></td>
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<td></td>
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<tr>
<td>Slaughterhouses</td>
<td>●</td>
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<tr>
<td>Environmental protection</td>
<td>●</td>
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<tr>
<td>Consumer protection</td>
<td>●</td>
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<tr>
<td>Culture, leisure &amp; sports</td>
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<tr>
<td>Theatres &amp; concerts</td>
<td>●</td>
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<tr>
<td>Museums &amp; libraries</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks &amp; open spaces</td>
<td>●</td>
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<tr>
<td>Sports &amp; leisure</td>
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* Competencies shared with the private sector.
### The competencies of local and regional authorities

**CYPRUS**

<table>
<thead>
<tr>
<th>Function</th>
<th>Competent authority</th>
<th>Type of competence</th>
<th>Exercise of the competence</th>
<th>Remarks</th>
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<tr>
<td></td>
<td>State</td>
<td>Intermediate</td>
<td>Municipality</td>
<td>Exclusive</td>
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<td>Religious facilities</td>
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<td>Traffic, transport</td>
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<td>Roads</td>
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<td>Transport</td>
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<td>●</td>
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<td>Urban road transport</td>
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<td>Urban rail transport</td>
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<td>Economic services</td>
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<td>●</td>
<td>●</td>
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<td>District heating</td>
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<td>Agriculture, forests, fishing</td>
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<td>Electricity</td>
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<td>Other economic services</td>
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</table>

* Competencies shared with the private sector.
7. LOCAL AUTHORITY ASSOCIATIONS OR OTHER FORMS OF CO-OPERATION AT THE LOCAL AND REGIONAL LEVELS

7.1. Institutionalised co-operation for the performance of tasks of common interest

The present legal framework provides possibilities for co-operation. Co-operation amongst municipal authorities can develop on a functional basis in order to save resources and to increase effectiveness, through common services for the development of projects that, either due to their size or because they concern populations belonging to various municipalities, are better done with the co-operation of all interested municipalities and of other local authorities. An example of such kind of co-operation is the creation of a common refuse disposal area.

Other legal forms of co-operation may develop, such as for instance, the water boards or the sewage boards. These boards offer services to people of more than one municipality. The activities of such organisations may extend to even greater areas, as for example the central slaughterhouse. Organisations altogether independent of local authorities are formed and the state undertakes the whole burden of setting them up. Examples are the Electricity Authority of Cyprus and the Cyprus Telecommunications Authority.

Another form of co-operation can be seen in town planning development projects that concern more than one municipality. For example, building a road that goes through two or three municipal areas, the construction of which is undertaken with government funding and each municipality paying its own share.

At the same time, according to Article 61 of the Municipalities Law, a municipality may lend on contract personnel to another municipality.

7.2. Legislative provisions concerning associations of local authorities at national or regional level

The Union of Cyprus Municipalities was registered as a society under the Societies and Institutions Law in 1981. Membership is voluntary but currently all the municipalities of Cyprus are members.

The union was established to contribute to the development of local government autonomy, to safeguard and promote the interests of municipalities, promote municipal co-operation, assist municipalities in their tasks by providing them with qualified assistance where required, as well as to draft and promote legislation pertaining to its members.

It also acts as the voice of local government interests vis-à-vis the central government and other national associations. The union, however, has no right to commit any one of its members, but simply to express the opinion and support the position of the majority.

The union’s decision-making power is vested in the general assembly convening once a year. Members are represented in the general assembly by a number of councillors, depending on the size of the population of their municipality. Representatives are appointed by municipal councils and should include the mayor.
The executive committee is made up of the president of the union, the deputy president, the first, second and third vice presidents and twelve other representatives. The executive committee of the union carries out the decisions of the general assembly, deals with urgent matters relating to the union and does the preparatory work regarding issues to be examined by the general assembly.

The president of the union represents the union in any authority, body, organisation or before a court of law, while the secretary is responsible for the day-to-day operation of the union.

The union’s Greek-language magazine is an important channel of information about local government. It reports on the activities of the municipalities and of the union itself and provides facts and news.

The union also carries out training programmes for mayors and municipal councillors, as well as municipal employees.

### 7.3 International co-operation between local authorities

The local authorities in Cyprus can co-operate with counterparts in other states by twinning with municipalities or other forms of local authority in different countries. However, there are no provisions in the relevant laws concerning the right to co-operate with authorities in other countries. On the other hand there are no laws or regulations that prohibit such co-operation between local authorities.

Municipalities in Cyprus can also participate in programmes to promote decentralised co-operation between local authorities in the European Union and those in eligible non-member countries (MED-URBS).

### 8. FINANCE

#### 8.1 Taxes

Municipalities, improvement boards and village authorities have their own taxes which are imposed according to the provisions of the relevant laws and regulations.

The taxes collected by municipalities and improvement boards are:

- land taxes;
- professional taxes;
- taxes levied for the owners/users of their own professional premises;
- entertainment tax;
- taxes for overnight stays in hotels, etc.;
- rent taxes;
- income received by municipalities.
The principal income received by municipalities from licences and fees are:

- refuse collection charges;
- public market fees;
- parking charges;
- advertisement fees;
- civil marriage fees;
- city-toll fees;
- refuse disposal fees;
- cleaning of buildings fees;
- tax on alcohol;
- fees for keeping dogs;
- fees for issuing town-planning licences;
- fees for the use of municipal slaughterhouses;
- fees for the use of any building premises as a theatre;
- fees for race course betting.

It is noted that the levels of the tax rates imposed by municipalities and improvement boards are not standard and they are specified in the relevant regulations. Usually, improvement boards impose a lower level of taxes.

The regulations concerning improvement boards have to be approved by the Ministry of the Interior, whereas, the regulations concerning municipalities, until recently, had to be approved by the Council of Ministers and by parliament.

An amendment was recently made to the Municipalities Law and the municipalities are now entitled to approve their own regulations.

Consequently, the level of taxes imposed by improvement boards are subject to the approval of the government, whereas the level of taxes imposed by municipalities, after the recent amendment of the Municipalities Law, can be fixed by the municipalities independently.

The local authorities are entitled to impose taxes provided that there are such provisions in the relevant laws. Therefore, it is not possible to introduce a new type of tax if there is no mention of it in the legislation.

8.2. Grants

The Municipalities Law (Article 67) makes provision for a contribution of an annual grant by the government to the municipalities. The amount of the grant should be recommended by the Council of Ministers and approved by parliament. This grant is shared by the municipalities according to a formula agreed amongst themselves and based mainly on population figures and certain economic criteria.
Moreover, municipalities receive an annual grant from the state budget as a subsidy for the expenditures made for street lighting (only for the electricity required). The subsidy for street lighting is also received by improvement boards and village authorities. In 1989 the amount of this grant represents, for the largest and more wealthy municipalities and improvement boards, 50% of the total amount of expenditure incurred for the above purpose. Whereas for the rest of the municipalities, improvement boards and village authorities, the level of subsidy represents 100% of the expenditure incurred for street lighting in 1989.

Municipalities also receive subsidies for some development projects. The improvement boards are subsidised by the government for their development projects. The level of subsidies in these cases is determined in advance and represents a certain percentage of the total amount required for each specific development project.

8.3. Financial equalisation

The general annual grant offered to municipalities is a fixed amount. There are no special arrangements for financial equalisation.

8.4. Other sources of income

Local authorities also receive revenue from fees and charges paid by the local population for local services. Other sources of income for local budgets concern mainly rents for the use of municipal property and fines.

8.5. Loans

Municipalities have the authority to borrow money in order to carry out any project for public benefit.

The Municipalities Law provides that the loans raised should be used exclusively in the execution of projects for which they have been made.

The municipal council has the authority to guarantee a loan by mortgaging any immovable property of the municipality in order to secure the lender. The decision of the municipal council to guarantee is subject to the approval of the Minister of the Interior.

The Municipal Council can also issue bonds in relation to any loan contracted, provided that the Minister of the Interior approves it.

Municipalities can also borrow money from any commercial bank or co-operative institution with which they co-operate and keep their accounts. However, the amount of money a municipality can borrow should not exceed 20% of its budgeted revenues for the current year.

If a municipality wants to take out a loan that exceeds the 20% of its budgeted revenues for the current year, then it must have the approval of the Council of Ministers. Such an approval could include provisions concerning the period of time within which the loan must be paid back.
Improvement boards can also borrow money for development projects provided that they have the approval of the Minister of the Interior, and to mortgage any property, taxes, fees, rents as a security for the lender. Improvement boards can also borrow money from commercial banks, provided that the amount of the loan does not exceed 10% of the budgeted revenues of the improvement board taking out the loan, for the current year.

8.6. Financial control

The annual budgets of the municipalities are subject to the approval of the Council of Ministers. They are prepared by the management committee of the municipal council of each municipality and submitted through the district office of the relevant district to the Minister of the Interior.

The Minister of the Interior submits the budgets with its comments and recommendations to the Council of Ministers. Copies of the municipal budgets approved by the Council of Ministers are sent to the general auditor of the government and to parliament.

The general auditor is also authorised to examine/audit the annual accounts of the municipalities and to make any comments and recommendations. Financial control is also exercised through the approval or rejection by the Council of Ministers of the application of any municipality to contract loans.

The annual budgets of the Improvement boards should be approved by the chairperson of each board who is the district commissioner of the district where each improvement board is situated. Moreover the annual accounts of each improvement board should be audited by the general auditor of the government.

9. SUPERVISION OF LOCAL AND REGIONAL ADMINISTRATION

The general supervision of local authorities lies with the Ministry of the Interior. The district officers are responsible for supervising the municipalities and improvement boards which are situated in each district. It is noted however that the Ministry of the Interior does not intervene in matters related to local authorities when it does not have the authority to do so.

The Municipalities Law has a provision for issuing municipal regulations that should be approved by the Council of Ministers. This provision allows some government control over the municipalities. However, where the municipal regulations concern fees and charges, they are approved only by the municipal council. The above law has also a provision whereby the Council of Ministers must approve any job specification for the staff posts in each municipality. All of the employee positions in each municipality must be presented in the municipal annual budget that must be approved by the Council of Ministers. This is, therefore, another aspect of government control over municipalities.

As previously mentioned, the government general auditor audits the annual accounts of local authorities, which represents yet further government control over local authorities.

Similar control is exercised over improvement boards.
The Commissioner for Administration Law has been recently amended in such a way as to give the Commissioner for Administration the authority to:

- investigate complaints regarding any action taken by or on behalf of any local authority (municipalities and improvement boards only, not village authorities), when exercising an executive or administrative function and which allegedly violates human rights, the provisions of any law or the principles of good administration and the proper behaviour towards those administered, provided that a person is directly and personally affected by the action complained of;

- investigate, consequent on a request by the Council of Ministers, any matter which concerns the functioning of any municipality and improvement board, to ascertain whether it functions efficiently and in accordance with the laws and the principles of good administration.

In determining whether to initiate, continue or discontinue any investigation of a complaint submitted to him, under the first paragraph above, the commissioner shall, subject to the provisions of the above legislation, act in accordance with his own discretion.

In cases where the investigation has been carried out consequent on a request of the Council of Ministers, the report prepared by the commissioner for administration shall be submitted to the Council of Ministers. A copy of this report shall be sent to the House of Representatives.

In cases where the investigation has been carried out after personal complaints have been made, the report prepared by the commissioner, shall be submitted to the authority concerned. A copy of this report shall be sent to the complainant. In such cases if it appears to the commissioner that damage or injustice has been caused to the complainant, he may include in his report a suggestion or recommendation to the authority concerned to remedy the damage or the injustice. He may also, at his discretion, set a time limit within which remedial action has to be taken.

If a suggestion or recommendation of the commissioner is not followed by the authority concerned, the commissioner may submit to the Council of Ministers and the House of Representatives a special report mentioning this fact.

After conducting an investigation, if the commissioner arrives at the conclusion that the action complained of violated the human rights of the complainant and may constitute a criminal offence, a copy of his report, which is submitted to the authority concerned, shall be sent to the Council of Ministers, the House of Representatives and the Attorney-General.

10. **APPEALS AGAINST LOCAL DECISIONS**

Individuals and legal entities have the right to appeal to the competent court against decisions of the local authorities that infringe upon their interests and contradict the legislation.
11. ADMINISTRATIVE STAFF

The municipal council of any municipality has the authority, with the approval of the Council of Ministers, to apply job specifications to the posts in the municipality, which should be presented in the annual budget together with their wage rates.

Moreover, municipal councils have the authority, with the approval of the Council of Ministers, to issue municipal regulations specifying the procedure used to fill in the vacant positions, the general job specifications, and the duties and responsibilities for each position.

The above regulations can include provisions for the creation of any of the following posts: municipal secretary, municipal engineer, municipal treasurer, municipal medical officer and municipal health inspector.

Moreover, there is the ability to create any other post as an administrative head, as long as he/she is going to be in charge of an independent department. The municipal council can hire anyone for the above posts, as long as he/she is not member of the council.

All of the above departmental heads are accountable to the mayor who is the political day-to-day leader of the administration. The administrative heads together with all the personnel of the municipality have to implement the decisions made by the municipal council.

The municipal secretary is responsible for co-ordinating and controlling the actions taken by all the departments of each municipality. He/she is the head of a group of administrative officers who assist him/her in implementing the decisions of the municipal committees and the municipal council in general. The administrative officers attend the meetings of the various municipal committees, they keep the proceedings of the meetings and carry out all the required administrative work. In general the municipal secretary acts as a liaison officer between the mayor, the municipal council and the rest of the personnel of the municipality.

The rest of the administrative heads and the employees working in each department carry out the required work in order not only to put into practice the decisions of the municipal council, but also to carry out day-to-day operations.

An improvement board can hire persons for the post of secretary and treasurer in order to carry out the duties that the improvement board might order. It can also hire employees that might be required in order to carry out the day-to-day-operations for the purposes of the Villages Law (Administration and Improvement).

Every person hired according to the above law will occupy the position for which he/she was hired for as long as the improvement board wishes and will be remunerated with a salary that the improvement board will decide.