



LOCAL SELF-GOVERNANCE IN ARMENIA

Yerevan

2013 Edition

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1. Legal Grounds

1.1. Constitutional grounds of local self-governance

The Republic of Armenia became independent from the Soviet Union on September 21, 1991. Whereas the constitutional grounds of local self-governance in Armenia were set forth in the first RA Constitution adopted by referendum on July 5, 1995. Later in 2005 as a result of nationwide referendum amendments were made in RA Constitution including amendments in constitutional provisions of local self-governance.

Provisions related to local self-governance and amended in the Constitution in 2005 are reflected in the following articles:

Article 2: The people exercise their power through free elections, referenda, as well as through state and local self-governing bodies and public officials as provided by the Constitution.

Article 4: The elections of the President of the Republic, the National Assembly and local self-government bodies, as well as referenda shall be held on the basis of the right to universal, equal and direct suffrage by secret ballot.

Article 11.2: The Republic of Armenia guarantees the local self-governance.

Article 30: The law may define the right of suffrage for the elections of the bodies of local self-government and for the local referenda for persons who are not citizens of the Republic of Armenia.

Article 83.1: The state and local self-government bodies and their officials shall cooperate with the Human Rights' Defender.

Chapter 7: Local Self-Governance

Article 104: The local self-government shall be exercised in the communities. The local self-governance is the right and power of the community to resolve on its own responsibility issues of local significance aimed at the welfare of the inhabitants in accordance with the Constitution and the law.

Article 104.1: A community comprises the populace of one or more residential areas. A community shall be a legal entity, have the right to property and other economic rights.

Article 105: The powers of the community pertaining to managing and administering the community's property, resolving issues of community significance, and other powers aimed at fulfilling the requirements of the community shall be exercised by the community in its own name and under its responsibility. A certain part of community's authorities may by law be deemed obligatory. In order to secure more effective exercise of the power of state bodies the law may envisage the delegation thereof to the local self-government bodies.

Article 105.1: The land in the administrative territory of the community with the exception of the land necessary for state needs and those belonging to natural persons and legal entities shall be deemed property of the community.

Article 106: The community shall generate its budget independently. The law shall define the sources of the community revenues. The law shall define the sources of community finances that will secure the discharge of their responsibilities. Responsibilities delegated to the communities shall be funded from the state budget. The communities shall establish local taxes and duties within the scope defined by law. The communities can set forth fees for their services.

Article 107: The community shall exercise its right of self-government through the bodies of local self-government – the Council of Aldermen and the Head of Community, who shall be elected for a four-year term of office in conformity with the procedure defined by law.

The Council of Aldermen of the community shall in conformity with the procedure defined by the law manage the community property, approve the community budget upon the submission of the Head of Community, oversee the community budget execution, envisage local taxes, duties and fees in conformity with the procedure defined by the law and adopt legal acts subject to observance in the territory of the community. The acts adopted by the community Council of Aldermen shall not contradict the legislation; the law shall define the procedure for their publication and coming into force. The law shall define the powers of the Head of Community and the procedure for the exercise thereof. The community members may directly take part in the administration of the community affairs by resolving the issues of local significance through local referenda. The law shall define the procedure for conducting a local referendum.

Article 108: Yerevan is a community. The peculiarities of local self-government and formation of local self-government bodies in the City of Yerevan shall be defined by the law. A law may provide for either direct or indirect elections of the Mayor of Yerevan.

Article 108.1: To ensure the lawfulness of the activities of the local self-government bodies, legal control shall be exercised in conformity with the procedure defined by the law. The law shall define the procedure for the state oversight over the discharge of the powers delegated to the community.

Article 109: The Government may remove the Head of Community in cases prescribed by the law on the basis of the conclusion of the Constitutional Court.

Article 110: The communities may, based on the interests of the public, be merged with each other or separated by the law. The appropriate law shall be adopted by the National Assembly upon the recommendation of the Government. Before submitting the legislative initiative the Government shall appoint local referenda in those communities. The outcomes of the local referenda shall be attached to the legislative initiative. The communities may be merged or separated irrespective of the outcomes of the local referenda. The law shall define the principles and procedure for consolidation or separation of the communities as well as the terms for the election of local self-government bodies of the newly formed communities.

1.2. Legislative grounds of local self-governance

In the Republic of Armenia local self-governance system is regulated by RA Law on "Local Self-Governance" which was adopted on July 22, 1996 and later amended and by RA Law on "Local Self-Governance in the City of Yerevan" which was adopted on December 26, 2008.

Other legal acts regulating local self-governance are:

- RA Law on "Administrative Territorial Division of the Republic of Armenia" (adopted in 1995) which stipulates RA administrative units and describes their borders,
- "Electoral Code of the Republic of Armenia" (last edition was adopted in 2011) which regulates all the electoral processes including elections of local self-governance bodies,
- RA Law on "Budgetary System of the Republic of Armenia" (adopted in 1997) which defines the objectives of state management as well as the financial and budget objectives of local self-governance, budget relations, features of budget process.
- RA Law on "Taxes" (adopted in 1997) which in addition to all types of taxes defines also the types of local taxes, the procedure and terms of their payment.
- RA Law on "Local fees and payments" (adopted in 1997) which defines types of local fees and payments, the minimal and maximum rates of payment, payment procedures and so on.
- RA Law on "Financial Equalization" (adopted in 1998) which regulates the donations from state budget to local budget based on principle of financial equalization, mechanisms of their calculation.
- RA Law on "Local Referendum" (adopted in 2002) which regulates the relations related to local referenda.
- RA Law on "Municipal Service" (adopted in 2004) which regulates the relations related to activity of officials exercising service in the staff of local self-governance bodies.
- RA Law on "Procedure of reimbursement of loses of budget revenues as a result of implementation of RA laws decreasing municipal budget"(adopted in 2008) which defines the reimbursement mechanisms of funding municipal budgets by state budgets.
- 1.3. International documents regulating the field of local self-governance.

On May 11, 2001 the Republic of Armenia signed "European Charter of Local Self-Governance" which was ratified in 2002, January 25 and came into force on May 1, 2002.

Becoming a member of Council of Europe, Republic of Armenia signed and ratified a number of other documents:

- European Charter for Regional and Minority Languages (The Republic of Armenia signed on May 11, 2001, ratified on January 25, 2002, came into force on May 1, 2002).
- Framework Convention for the Protection of National Minorities (The Republic of Armenia signed on July 25, 1997, ratified on July 20, 1998, came into force on November 1, 1998).
- European Outline Convention on Trans-frontier Co-operation between Territorial Communities or Authorities (The Republic of Armenia signed on April 3, 2002, ratified on November 31, 2003, came into force on February 1, 2004).

- Protocol No. 2 to the European Outline Convention on Trans-frontier Co-operation between Territorial Communities or Authorities concerning inter-territorial co-operation (The Republic of Armenia signed on April 3, 2002, ratified on November 31, 2003, came into force on February 1, 2004).
- Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (The Republic of Armenia signed on March 18, 2010, ratified on February 26, 2003, came into force on September 1, 2013):
- Protocol No. 3 to the European Outline Convention on Trans-frontier Co-operation between Territorial Communities or Authorities concerning Euro-regional Co-operation Groupings (ECGs) (The Republic of Armenia signed on March 18, 2010).

2. Structure of Local Authorities

2.1. RA Administrative Territorial Division on the Level of Territorial Governance

The administrative territorial division of the Republic of Armenia is two-level. State governance is exercised in marzes and local self-governance is exercised in communities. The whole territory of the Republic of Armenia (except the city of Yerevan) is divided into 10 marzes. RA marzes are composed of rural and urban communities. From administrative perspective communities do not belong to the authorities of marz but from territorial perspective they are included in this or that administrative territory.

Table 2.3.1.

RA marzes, marz centres, territory and population of marzes

N/N	Marz	Marz Center	Territory (sq/m)	Population ¹
1.	Aragatzotn	Ashtarak	2753	141,7
2.	Ararat	Artashat	2096	278,8
3.	Armavir	Armavir	1242	284,1
4.	Gegharquniq	Gavar	5348 ²	241,5
5.	Lori	Vanadzor	3789	281,6
6.	Kotayq	Hrazdan	2089	280,6

¹ Up to the year of 2010, thousand people

² Including Lake Sevan

7.	Shirak	Gyumri	2681	281,5
8.	Syuniq	Kapan	4506	152,9
9.	Vayots Dzor	Yeghegnadzor	2308	55,8
10.	Tavush	Ijevan	2704	134,4

Governors of marzes are appointed and dismissed by RA Government. They fulfil a number of state functions the main of which are:

- Conduct RA Government territorial policy,
- Coordinate activity of territorial service of republican executive bodies,
- Exercise legal and professional (administrative) supervision on the activity of local self-government bodies.

2.2. RA Administrative Territorial Division on the Level of Local Self-Governance

There are two classifications of communities of the Republic of Armenia – urban and rural. Communities are considered urban if they have at least one settlement which has an urban classification. Rural are considered those communities which have one or more settlements that are all exceptionally classified as rural. However, RA Law on "Local Self-Governance" stipulates the same kind of and the same volume of powers for all communities (except the city of Yerevan).

When the system of local self-governance was formed (on November 10, 1996), there were 930 communities in the territory of the Republic of Armenia out of which 12 were the districts in the territory of Yerevan city, 47 were urban communities and 871 were rural communities.

After Yerevan was accorded a status of community, as well as after amendments made in RA Law on "Administrative Territorial Division of the Republic of Armenia", at present there are 915 communities in the whole territory of RA out of which 49 are urban (including urban community of Yerevan) and 866 are rural.

Table 2.4.1.

RA Settlements and Communities According to Marzes

N/N	Marz	Settlements	Total Communities	Communities	
				Urban	Rural
1.	Aragatsotn	121	114	3	111

2.	Ararat	98	97	4	93
3.	Armavir	98	97	3	94
4.	Gegharquniq	98	92	5	87
5.	Lori	130	113	8	105
6.	Kotayq	69	67	7	60
7.	Shirak	131	119	3	116
8.	Syuniq	135	109	7	102
9.	Vayots Dzor	55	44	3	41
10.	Tavush	65	62	5	57
Total		1000	914	48	866

The whole territory of the Republic of Armenia (with exception of the territory of Lake Sevan which has a special status) is included in the administrative territory of this or that community. Communities in Armenia are rather small from the perspective of the population size.

Table 2.4.2.

Communities Distribution according to the Population Size

Size of Population	Number of Communities
<i>Up to 100</i>	<i>30</i>
<i>101-300</i>	<i>167</i>
<i>301-500</i>	<i>76</i>
<i>501-1000</i>	<i>169</i>
<i>1001-3000</i>	<i>324</i>
<i>3001-5000</i>	<i>71</i>
<i>5001-15.000</i>	<i>55</i>
<i>15001 and more</i>	<i>23</i>

The biggest community of the Republic of Armenia is Yerevan, which has a special status.

3. Local Self-Governance Bodies and Principles

The community exercises its right of self-government through the bodies of local self-government – the Council of Aldermen and the Head of Community, who are elected for a four-year term of office in conformity with the procedure defined by law (RA Constitution, Article 107).

Any citizen of Armenia, having a voting right, being a resident of a community for at least six months before the Election Day may be elected Head of Community and member of Aldermen.

Council of Aldermen is a representative body.

Head of Community officially represents the community and is the executive body of the community.

3.1. The Basic Concepts of Local Self-Government

According to Article 104 of RA Constitution local self-governance is exercised in communities. The local self-governance is the right and power of the community to resolve on its own responsibility issues of local significance aimed at the welfare of the inhabitants in accordance with the Constitution and the law.

According to Article 3 of RA Law on "Local Self-Governance": " Local self-government is the Constitutionally guaranteed right and capacity of local self-government bodies acting at their own responsibility and as provided by the legislation, to manage the community's property and financial resources, and to resolve the problems of community importance with a view to improving the well-being of the population.

Local government shall be exercised in the whole territory of the Republic of Armenia. The status of the Lake Sevan shall be defined by the respective law".

3.2. The Principles of Local Self-Government

Local self-governance is exercised according to the following principles in the Republic of Armenia:

1. General authority shall be the entitlement to carry out any autonomous activity at their own responsibility in relation to the interests of the community and in no contradiction to the law, if not otherwise prescribed by the legislation;
2. Independence and own responsibility in implementing local governance;
3. Correspondence between the powers prescribed by the law and financial resources required for enforcement of such powers;
4. Delegation of the powers of the State authorities to local self-government bodies, if such powers can be more effectively exercised in communities, and ensuring, in an obligatory manner, the adequate financial resources by the law;
5. Judicial protection of the rights, legitimate interests and the property of the community in accordance with the procedure defined by the law;

6. Assistance to financially weak communities through financial adjustment;
7. Creation of intercommunity associations with other communities with the objective to jointly solve individual problems in accordance with the defined procedure;
8. Accountability to the community members;
9. Publicity and transparency in the activities of local self-government bodies;
10. Participation of community residents in local self-governance.

3.3. Head of Community and his powers

RA Law on "Local Self-Government" regulates in details the activity of head of community. So, any citizen of Armenia, having a voting right, being a resident of a community for at least one year, and no younger than 25 years old may be elected Head of Community.

The Head of a Community may not simultaneously occupy any other State post, perform any other paid work, except for creative, scientific and pedagogical activities, be a member of Aldermen.

Head of Community is the executive body of the community and officially represents the community in any legal relations. Within the framework of his powers the head of community can adopt normative and individual acts. Powers of head of community are in general of organisational character and assist to the activities of head of community and staff.

The powers of head of community are:

1. Convene and preside the sessions of the Community Council;
2. Submit the adopted individual acts to the Community Council and posting them in the office of head of community;
3. Submit the draft decisions on the structures and charters of the staff and budget institutions to the Community Council for approval;
4. Submit the draft decision on creation, restructuring and/or liquidation of budgetary and non-commercial agencies and organizations of community subordination to the Community Council for approval;
5. Submit the draft decision on composition of councils and supervisory boards of the commercial agencies and organizations of community subordination to the Community Council for approval;
6. Appoint the Deputy Chief of the Community, Secretary of the Staff, heads of structural and separate subdivisions;
7. In pursue of decision of the Community Council, appoint the directors of budgetary institutions. In case, the Community Council twice fails to give its consent, the Chief of the Community shall make an appointment without the consent of the Community Council;
8. Submit for the approval of the Community Council the draft decision on holding a local referendum;
9. Conclude cooperation agreements with other communities of the Republic of Armenia and other states, submitting them to the Community Council for ratification. Submit the draft decisions on establishment of intercommunity associations, as well as membership in

- associations established by other communities and payment of relevant membership fees to the Community Council for approval;
10. In pursue of decision of the Community Council Conclude alienates or lends for use the community property; as well as submit the draft proposals on alienation of the community property to the Community Council for approval;
 11. Submit a proposal on adoption of urban planning projects documents and their amendments as well as draft assignments to the Community Council for approval;
 12. After coordinating with state authorized body on the part of transit roads submit the scheme of organising traffic in the community for the approval of the Community Council and according to that scheme make decisions about setting necessary road equipments and other technical means for organising safe traffic.
 13. Submit a proposal on awarding the Honorary Citizen of the community to the Community Council for approval;
 14. Submit a proposal to the Community Council for approval on naming and renaming streets, avenues, squares, parks, educational, culture and other enterprises and organizations of the community's subordination (except for the historical, cultural and natural history monuments);
 15. Define the numbering of the community buildings and structures;
 16. Take decisions, issue directives and compile minutes within its jurisdiction;
 17. Independently and at its own responsibility, organize and govern the process of implementation of the duties delegated by the state in accordance with the legislation or procedure defined by the Government;
 18. In accordance with the legislation or procedure defined by the Government, conduct urban development, nature protection, agricultural and other cadastres of community importance;
 19. Take measures in accordance with the legislation or procedure defined by the Government in respect of organization of civil defence, anti-epidemic and quarantine measures and reduction of the risk of technological and natural disasters and elimination of their consequences;
 20. Exercise other powers specified by the Constitution and Law on “Local Self-Governance”.

3.4. Community Council and its Powers

Community Council is a representative body of the community among the powers of which are the issues of community development, improvement of community life. Council sessions should be held at least once in two months. During the session any issue concerning the community interests can be discussed. The Council may pass decisions and messages regarding the matters discussed. In respect of the matters related to the interests of the community but being beyond its jurisdiction, the Council may pass messages addressed to the population of the community, the Head of the Community, the Regional Governor or to any other State authority. The Community Council, for the purpose of performing his functions, may issue decisions on establishment of permanent or ad hoc commissions. Decisions and messages of the Council are adopted by the simple majority of present members of the Council.

The Chief of Community can present to the Community Council his objections to the decisions thereof in writing within a period of three days, including the justifications thereto, if such decision is in conflict with the law. In this case an extraordinary session of the Community Council is convened

within a period of three days, with the enforcement of the debated decision postponed until its discussion at the session of the members of the Community Council. Objections are discussed at the extraordinary session and if they are not adopted or the session is not convened, such decision shall enter into legal force. In this case decisions of the Community Council may be appealed in legal manner by the Head of Community.

General description of powers of Community Council:

1. Pass its Regulations;
2. Approve development program of the community;
3. Establish the official salary of the Head of the Community;
4. Approve the number, staff list and official rates of remuneration of the staff of the Chief of Community and budgetary institutions;
5. Approve the master plan for community urban development and land zoning;
6. Approve the community budget and conducts supervision;
7. Define the rates of local duties and fees set by the legislation;
8. Take decision on lease or alienation of the property owned by the community; approve rates of rents, alienation prices and terms as well as the floor price of a property to be alienated through an auction;
9. Define the community rules for operations of agencies and organizations in the sectors of trading, public catering and services in compliance with the respective legislation;
10. Approve annual inventory list of the property of the community;
11. Approve the 4-year development program of the community;
12. Approve the community budget, amendments thereto proposed by the Chief of the Community and the statement on execution of the annual budget;
13. Define the rates of services delivered by the Community;
14. As prescribed by the law take decisions on establishment, restructuring and/or liquidation of budgetary institutions of community subordination, commercial and non-commercial organizations with community participation in accordance with the legislation;
15. Initiate and appoint a local referendum;
16. Take decision to form intercommunity unions, as well as submit a proposal to the authorized state body on establishment of a new community through merger with other community;
17. Approve the urban development charters of the settlements.

Based on the situation in the community the Community Council can fulfil the following powers:

1. Take a decision to submit a proposal to the Regional Governor, with regard to dismissal of the Chief of the Community;
2. Take decisions on receiving documents not containing legislatively defined confidential information from state bodies and officials, which concern the community;
3. Make amendments in the community budget;
4. Take decision on naming or renaming of streets, avenues, squares, parks of community importance and educational, culture and other enterprises and organizations of the community subordination;
5. Other powers.

3.5. Composition of Local Self-Government Bodies and Electoral System

Elections of local self-government bodies in Armenia first took place in 1996. Any citizen of Armenia, having a voting right, being a resident of a community for at least last six months, and no younger than 25 years old may be elected Head of Community. And any citizen of Armenia, having a voting right, being a resident of a community for at least last six months, and no younger than 21 years old may be elected member of Community Council.

Heads of communities and member of the Council can be elected people having refugee status who have right of voting. Members of the Constitutional Court, judges, and prosecutors, officers of the Police, National Security Service, and the Judicial Acts Compulsory Enforcement Service may not be nominated as candidates for the head of community and the member of community council.

Candidates of head of community and member of the council may have proxies. Elections can be illustrated by mass media. Representatives of international organisations can also participate. Proxies, observers, representatives of mass media have the right to be present in the sessions of electoral commissions, look through the documents, samples of ballots, and decisions of electoral commission and appeal the actions of electoral commission.

At elections of a head of community, a single-mandate majoritarian constituency shall be formed in the territory of the community, and at the elections of Community Council one multi-mandate majoritarian constituency shall be formed in the territory of the community.

The community council shall consist of:

Five members in a community having up to 1 000 electors;

Seven members in a community having 1000 to 2000 electors;

Nine members in a community having 2000 to 4000 electors;

Eleven members in a community having 4000 to 10 000 electors;

Fifteen members in community having 10 000 to 70 000 electors;

Twenty-one members in community having more than 70 000 electors.

As a result of amendments made in the Electoral Code, candidates may be nominated by the political parties based on the decision of their respective territorial units, as well as by citizens with the right to be elected, by way of self-nomination by submitting an application. Parties can nominate a candidate being non-party. As a result of these reforms the role of parties in the elections of local self-government bodies has increased.

4. Peculiarities of Local Self-Governance in the City of Yerevan

4.1. Peculiarities of Formation Local Self-Government Bodies in the City of Yerevan

According to RA Law on “Local Self-Government in the City of Yerevan” local self-government bodies of Yerevan are the Council of Elders of Yerevan and Mayor of Yerevan. The Council of Elders of Yerevan consists of 65 members. Unlike other communities, elections of Elders are held under the proportional electoral system, considering the whole territory of Yerevan as one multi-mandate electoral district. So, the candidate of Yerevan Elders elections can be nominated only by party list.

Mandates of members of the Yerevan Council of Elders shall be allocated among electoral lists of candidates of those political parties and alliances of political parties that accordingly have received, in case of parties at least 6% and in case of alliances at least 8% of the affirmative votes of the sum of the total number of affirmative votes and the number of inaccuracies. If up to 3 parties, alliances of parties run in the elections of Council of Elders all parties and alliances take part in the allocation of mandates.

Mandates of members of the Yerevan Council of Elders are allocated among electoral lists of political parties, alliances of political parties in proportion with the number of votes cast in favour of each of them. The number of mandates available to each electoral list shall be calculated as follows: the number of votes cast in favour of each electoral list shall be multiplied by the number of mandates available to electoral lists; the product shall be divided by the total number of votes cast in favour of the electoral lists participating in the allocation of mandates, and the integers – which are the number of mandates available to the electoral list of each political party, alliance of political parties – shall be separated.

Where as a result of the allocation of mandates by the procedure prescribed by this part, any of the political parties, alliances of political parties receives more than forty per cent of the seats but not the absolute majority, such political party, alliance of political parties shall be granted the absolute majority of the seats. Where two political parties, alliances of political parties receive more than forty per cent of the seats but not the absolute majority, the political party, alliance of political parties having received the greatest number of mandates, shall be granted the absolute majority of seats. The remaining mandates shall be allocated among electoral lists of other political parties, alliances of political parties having acquired the right to participate in the allocation of the mandates.

Mayor of Yerevan is elected indirectly from the list of members of Elders. Mayor of Yerevan as well as first Deputy Mayor are members of the Council of Elders.

If as a result of elections of the Council of Elders one of the parties receives more than 50% of the seats of the Council, the first person of the list of candidates of that party is considered the Mayor with the force of law. If the first person of the list of candidates of that party does not correspond to the requirements set for Mayor, refuses or no party receives more than 50% of the seats of the Council of Elders, Mayor is elected by secret voting.

4.2. Powers of Local Self-Government Bodies in the City of Yerevan

Unlike other communities of RA, Council of Elders of Yerevan is the highest body of local self-governance. Council of Elders operates on a voluntary basis. Member of Council may hold any other position and be engaged in business except some cases. In particular, member of the Council may not simultaneously work in the staff of Municipality of administrative district, be head of an organization affiliated to Yerevan, be head of administrative district, work in enforcement agencies and so on.

Powers of the Council of Elders are listed in Article 12 Provision 36 of RA Law on “Local Self-Governance in the City of Yerevan”. Factions and Standing Committees are formed in the Council.

Mayor of Yerevan who is at the same time a member of the Council of Elders is a local self-government body, represents Yerevan as a community, also the Council and the Municipality in the relations of other persons and bodies. Mayor also manages the work of the Municipality. Powers are delegated to Mayor in the following areas:

- Finances
- Urban development and public utilities
- Protection of public order
- Coordination of public events
- Transport and road construction
- Agriculture
- Land use
- Trade and service
- Education, Culture and Youth
- Health, physical culture and sports
- Social protections
- Environment
- Civil protection and emergency
- Electronic communication, electricity, water supply, gas supply
- Organisation of protection.

In the above-mentioned fields mayor has mandatory powers and powers delegated by state. Law also regulates relations of mayor with state bodies of executive authorities and Yerevan territory services. In different fields some other volunteer powers are described in law.

4.3. Administrative districts of Yerevan and their powers

For the purpose of effective local self-government and territorial management and for making local self-government institutions of Yerevan maximally accessible for population the city of Yerevan is divided into 12 administrative districts:

Table 4.3.1.

Administrative Districts of the City of Yerevan and the Number of Population in them

N/N	Administrative District	Territory hec	Share of the administrative district in the territory of Yerevan, %	Number of Population, thousand people	Share in the population number of Yerevan, %
1.	Ajapnyak	2606	11,5	108.0	9.67
2.	Avan	808	3,6	50.3	4.55
3.	Arabkir	1320	5,8	131.0	11.73
4.	Davtashen	654	2,9	41.0	3.67
5.	Erebuni	4880	21,5	121.5	10.88
6.	Kentron	1339	5,9	130.4	11.67
7.	Malatia Sebastia	2539	11,2	141.5	12.68
8.	Nor Norq	1440	6,3	146.4	13.12
9.	Norq Marash	470	2,1	11.3	1.02
10.	Nubarashen	1731	7,6	9.6	0.86
11.	Shengavit	4099	18,1	145.9	13.07
12.	Qanaqer Zeytun	775	3,4	79.1	7.08

Heads of administrative districts are appointed and dismissed by Mayor. Council of Elders defines the procedure of activity of Head and staff.

Heads of administrative districts are delegated powers by law in the following fields:

- Protection of rights of population and economic entities
- Finances
- Urban development and public utilities
- Use of land
- Trade and services
- Education and Culture

- Health, physical culture and sports
- Job and social protection
- Agriculture

5. Participation of Citizens in Local Self-Governance

5.1. Publicity of Activities of Local Self-Government Bodies

Publicity of Activities of Local Self-Government Bodies is guaranteed by two main laws: RA Law on "Local Self-Governance" and RA Law on "Freedom of Information". According to RA Law on "Local Self-Governance", sessions of the Council of Elders are open and public. Law does not forbid participation of citizens in the sessions of the Council which can be regulated by the rules of procedure of the Council. The Council may hold also close sessions in some exceptional cases after adopting a special decision. The social-economic development program and community budget can also be published as well as all the decisions of the Council. Local self-government bodies take necessary steps within their capabilities to publish those decisions.

RA law on "Freedom of Information" defines that information holder at least once a year publicizes the following information related to his activity:

- activities and services provided (to be provided) to public;
- budget;
- forms for written enquiries and the instructions for filling those in;
- lists of personnel, as well as name, last name, education, profession, position, salary rate, business phone numbers and e-mails of officers;
- recruitment procedures and vacancies;
- influence on environment;
- public events' program;
- procedures, day, time and place for accepting citizens;
- policy of cost creation and costs in the sphere of work and services;
- list of held (maintained) information and the procedures of providing it;
- statistical and complete data on inquiries received, including grounds for refusal to provide information;
- sources of elaboration or obtainment of information mentioned in this clause;
- information on person entitled to clarify the information defined in this clause.

5.2. Forms and Opportunities of Citizen Participation in Local Self-Governance

Citizens can participate in local self governance in several ways. The main of them is participation in local elections as a result of which local self-government bodies are formed. By the way, if in state elections only RA citizens have the right to participate, in case of local election also residents of community having no RA citizenship can participate.

The other form of citizen participation is local referendum where citizens have an opportunity to take part in the decision making on local level.

Citizens can follow the actions and activities of local self-government bodies. In modern times most of urban communities and a number of large rural communities have electronic management systems which give citizens an opportunity to follow the activity of local self-government bodies online, get acquainted with decisions they made, send applications, proposals, leave comments and so on.

Heads of communities regularly organise receptions of citizens during which citizens can directly represent the problems they are concerned about, remarks and proposals.

RA Law on "Amendments to be made in the Law of the Republic of Armenia on Local Self-Government" adopted on June 19, 2013 provided the legislative basis of citizen participation in local self-governance.

Law stipulates the new 10th principle of local self-government – “participation of community residents in local self-governance”. The term “participation of community residents in local self-governance” is defined, it is stipulated that community residents can initiate to include a question in the agenda of the Council session (before only the head of the community and the council had that right), Council of Elders has a new power “make a reception of community residents, organise public meetings and discussions”, as well as new duties “in the way stipulated in the regulation of the council member of the Council should become a member of any Standing Committee, participate in its sessions, contribute to the fulfilment of the procedure of citizen participation in local self-governance”. A separate article (33.1) describes the activity of head of community in the field of citizen participation in local self-governance. A separate article (54.1) describes the peculiarities of citizen participation in the procedures of management of community development plan and budget, preserving the requirements of RA Law on “Legal acts”. Law also stipulates the requirement of formation of advisory bodies attached to head of community.

5.3. Local Referenda

Relations on local referenda are regulated by RA Law on “Local Referendum”. Not only RA citizens but also any person being a resident in a certain community at least for a year and being at the age of 18 can participate in local referenda. Not only head of community and the Council have the right to initiate local referendum but also people having right to referenda.

Issues stipulated by the Constitution, within the powers of local self-government bodies, as well as stipulated by law can be put under local referendum.

The following issues cannot be put under referendum:

- Issues within the power of local self-government bodies stipulated by the Constitution or law;
- Issues related to human, citizen rights, freedoms and duties, liquidation or limitation of constitutional guarantees that protect their exercise;
- Issues related to delegated powers of local self-government bodies by state authorities;
- Issues related to the formation of staff of Head of community;
- Issues related to adoption or amendment of community budget as well as fulfilment and change of financial duties of the community;
- Issues related to management of community property;
- Issues related to organising emergency and urgent measures protecting population health and safety;
- Issues harming historical, cultural, nature monuments and reserves.

6. General Description of Powers of Local Self-Government Bodies

According to Article 10 of RA Law on “local Self-Governance”, the powers of local self-government bodies shall be divided into their own powers and powers delegated by the State. Own powers shall be divided into mandatory and voluntary powers. Mandatory powers and procedure of enforcement thereof shall be defined by the legislation.

Implementation of the powers ascribed to the state authorities may be delegated to communities according to this law, as powers delegated by the state.

The State delegated powers shall be implemented in accordance with the legislation or procedure defined by the Government. The State delegated powers shall be funded from the state budget, in full and obligatory manner, out of the funds envisaged in the budget line of financing the State delegated powers.

Mandatory powers and powers delegated by the State shall be subject to priority implementation as prescribed by the law.

Voluntary powers shall be exercised in conformity with the regulations defined by the Community Council and in accordance with the financing provided for by the community budget.

Voluntary powers listed in this Law shall not be exhaustive. The communities may implement the powers attributed to the local government bodies by other laws solely as voluntary ones. Local self-government bodies may carry on any activity related to the interests of the community and not conflicting with law.

6.1. Mandatory Powers of Local Self-Government Bodies

Mandatory powers of Head of Community are prescribed by RA Law on “Local Self-Government”. The way of fulfilment of mandatory powers is stipulated exceptionally by laws. Fulfilment of mandatory powers is financed by community budgets. State conducts exceptionally legal supervision over their fulfilment.

Powers of Head of Community according to separate fields are the following:

In the sphere of protection of the rights of citizens and economic agents:

1. Within his jurisdiction, take measures for the protection of the rights and legitimate interests of the community residents and economic agents;
2. Carry out accounting (registration) of residents in his Community;
3. Represent the community's interests in the relations with other persons, as well as in the law-courts;
4. Conduct receptions of citizens; consider complaints, applications and proposals of citizens in a manner specified by law and take necessary measures in their respect;
5. Within his powers, promote and assist the economic entities in the community in most efficient implementation of their activities;
6. Resolve matters regarding permission for holding of meetings, demonstrations, marches and other mass arrangements in a manner specified by the ROA Constitution;
7. Ensure provision of copies and duplicates of documents issued from the community archive;
8. In the way stipulated by RA Electoral Code make decision about providing places for campaign posters in the territory of the community.

In the sphere of citizen participation in local self-governance:

1. Sufficient conditions are made for community population to be informed about the activity of local self-governance and participating in the management and development of community, using any available means or ways for this purpose (including information and telecommunication);
2. Provide the organisation and holding of informative and participatory events in places available and convenient for the population, also create corresponding necessary conditions for disabled and low mobility groups who desire to participate in the events;
3. Organise public hearings and discussions about the most important legislative and sub-legislative initiatives and drafts, particularly decisions of heads of communities and the councils in the fields of community development programs and annual budget, services delivered by the community, community master plan, planned changes in urban development, environment and accepting proposals about them and submitting to the authors of projects and initiatives;

4. Inform and involve the community population and representatives of the society in study and training projects held in the territory of the community.

In the Sphere of Finance

1. Prepare and submit a draft budget of the community, the proposed amendments thereto to the Community Council for approval, ensure budget execution, to which end the respective annual report shall be submitted to the Community Council;
2. Submit for the approval of the Council the draft decision on establishment of rates of local duties and charges;
 - 2.1. In the way stipulated by law organise the charging and control over local taxes, charges and fees, payments for lands being state and community property and payment for community property.
 - 2.2. In the way stipulated by law implements corresponding steps against the people who do not pay local taxes, charges and fees.
3. Submit proposals on rates for the services to be delivered by the community to the Community Council;
4. Agreeing with the state authorized body, submit the documents on attraction of credit and other borrowed resources, including issue of community securities, to the Community Council for approval;
5. Manage the funds of the community budget, ensure targeted spending of such funds;
6. Sign financial documents.

In the Sphere of Defence

1. In the way stipulated by law maintain the register of recruiters of the community, lists related to them, as well as submit data to territorial military commissariat about the removal from the resident registration, hiring and dismissal from a job;
2. In cases and in the way stipulated by law assist to military service calls, military assemblies, periodical military training;
3. In case of having information about conscript citizens who have violated their obligations urgently inform the territorial military commissariat in a written form.

In the Sphere of Urban Development and Public Utilities

1. Compile the draft of the master plan of the community urban development, as well as the community lands zoning and use schemes and (or) their change drafts.
In accordance with RA Law on "Urban development" urban development project documents and (or) their changes, as well as drafts of project assignments are submitted to the Community Council for approval in a way defined by the Government.
 - 1.1 In accordance with Article 46 Part 4 of RA Law on "Local Self-Government" draw and maintain the current urban development map of the community (current map).
2. In the stipulated way maintain urban development cadastre, develop the urban development charter of the community and submit to the Community Council for approval;
3. In the cases specified and prescribed, notify the community population with regard to planned changes in urban development environment of the community, issue architectural and planning tasks to

the constructors, and bring the architectural and construction designs into compliance with the existing requirements.

The procedure of urban activities in lands of special significance that have a strategic importance for the republic and involve more than one community is defined by RA Government.

In accordance with the draft zoning of the community, compile and approve and detailed plan of the individual areas and urban development (building-up) complexes of the community, shall be submitted to the Community Council for approval;

4. In cases and in the way stipulated by law inform the population about the planned urban development changes.

4.1. In the way stipulated by RA legislation coordinates architectural constructive projects, issue permits for construction (demolition) activities,

5. In the way defined document the construction completion acts.

5.1. Prevent and preclude unauthorized construction activities and land occupation, arrange for removal of deriving consequences

6. As prescribed by the law supervise the execution of the tasks issued to constructors regarding the architectural and building assignments, requirements of urban development charter of the community, targeted utilization of the community lands, buildings and structures;

7. Maintain the accounting, operation of real estate of the community, arrange for its current repair, compile yearly documentation on its inventory to submit them to the Community Council for approval

7.1. Decide on annual and four-year projects of on alienation of community property, that are part of its four-year development program and submit a proposal to the Community Council for approval;

8. Issue permission for outdoors advertisement in accordance with the community urban development charter.

9. Organize and ensure the operations of public utilities of the community, residential buildings, non-residential premises, dormitories, administrative buildings and other structures owned by the community, organize their major and current repairing, registration and distribution;

10. Manage the operation and maintenance of electricity, sewage, water supply and removal, irrigation and gas supply, heating systems and other structures of the community's subordination;

11. Organize planting and improvement of the community;

12. Organize trash collection and sanitary cleaning, also conducts other powers stipulated by RA Law on "Garbage collection and sanitary cleaning";

13. Ensure proper operation and maintenance of cemeteries;

14. Prepare and hold a founding meeting of a condominium association, as well as enforcement of other bodies of apartment buildings envisaged by the legislation. Ensure participation in servicing these buildings by the community, in conformity with the number of the flats, which are community property;

15. Organize management of the buildings, which are not governed by a Condominium or an apartment building management body envisaged by the law;

16. With the objective to carry out servicing of the buildings, the Chief of Community shall submit the rates of payments for services to the Community Council for approval.

In the sphere of land use:

1. In the cases and in the way stipulated by RA legislation draw the schemes of community lands and submit to the Council for approval.

- 1.1. Develop annual and four-year projects of on lands of community property, that are part of its four-year development program and submit a proposal to the Community Council for approval;
2. Decide on leasing and alienation of community property, in accordance with the defined order and objectives set out in the zoning procedure, and with the agreement of the Community Council.
3. As prescribed by the law supervise the execution of the tasks issued to constructors regarding the architectural and building assignments, targeted utilization of the community lands.
4. In a manner defined by law prevent and preclude unauthorized land occupation.

In the Sphere of Transport

1. Organize maintenance and operation of roads, bridges and other engineering structures of the community's subordination;
 - 1.1. Within its powers organise safe traffic on the community based roads;
2. Regulate transport operations in the community, organize the operation of transport enterprises and organizations of the community's subordination;
3. Grant the permit for providing taxicab and fixed-route minivan services in the territory of the community.

In the Sphere of Trade and Services

1. Carry out supervision over operation for trading, public catering and consumer service enterprises and organizations,
2. Shall grant licenses for selling alcoholic beverages and/or tobacco goods in compliance with the community trade rules and regulations. The procedure of giving permission is defined by RA government.
3. Shall grant licenses for fairs, as well as open-air trade in the territory of the community;
4. Shall grant permits, in compliance with the community service provision rules and regulations, for casinos, bathhouses (saunas), entertainment and games with prizes facilities to operate after 24.00. The procedure of giving permission is defined by RA government.
5. Shall submit proposals on participation of the community in the Republic of Armenia small and medium enterprises' annual development program.
6. Shall grant permits in compliance with first part of Article 8 of RA Law on "Precious metals" for retail trade of goods made of precious metals;
7. Shall grant permits for retail trade of liquid fuel, technical liquids, liquefied gas in the retail outlets of liquid fuel, technical liquids and liquefied gas.

In the Sphere of Education, Culture and Works with Youth

Organize the building, maintenance and reconstruction of specialized schools, kindergartens, clubs, culture centres, libraries and other education and culture enterprises and organizations of the community's subordination, their building, operation and repairing works.

In the Sphere of Public Health, Physical Culture and Sports

Organize the activity of health and sport enterprises and organizations of the community's subordination.

In the Sphere of Agriculture

1. Conduct construction, reconstruction and operation of community-owned irrigation systems;
2. Shall grant permits, in compliance with the community rules and regulations, for keeping pets in the territory of the city of Yerevan and of the city districts, conduct annual registration thereof.

In the Sphere of Natural and Environment Protection

Organize maintenance of lands, forest and water reserves that are property of the community, as well as environment protection.

6.2. Volunteer Powers of Local Self-Government Bodies

In the Sphere of Defence:

1. Assist the civil defence authorities in their activities;
2. Take measures for social security of the families of military servants, assist demilitarized persons and war veterans with the solution of their social problems;
3. Assist in military and patriotic upbringing of the population, especially young people.

In the Sphere of Urban Development and Public Utilities

1. Carry on construction and capital repair of residential and other objects of social importance;
2. Carry out building-up activities;
3. Document the urban development projects when necessary defined by RA Law on "Urban Development";
4. Carry out the preservation and care of recreation zones;
5. Organise the construction and operation of sanitary treatment plants.

In the Sphere of Land Use:

1. Carry on improvement of lands of community property
2. Carry out land construction work.

In the Sphere of Transport:

Organize construction of road, bridge and other engineering structures of the community.

In the Sphere of Education, Culture and Works with Youth

1. Promotion of the development of national crafts, amateur and folk-arts;
2. Assist in the protection of historical and cultural monuments located in the territory of the community;
3. Registration, classification and dissemination of information about historical, cultural, natural, tourist and recreation resources of the community;
4. Assist in promotion of the role of youth;
5. Assist in activities of secondary schools.

In the Sphere of Public Health, Physical Culture and Sports

1. Support to improvement of sanitary protection
2. Assist public health authorities in the conduct of sanitary, prophylactic and anti-epidemic measures;
3. Promote development of physical culture and sports in the community, carry out construction of sport grounds and other training structures, and create recreation zones.

In the Sphere of Labor and Social Services

1. Contribution to the creation of new work places, organizes paid public works;
2. Taking measures for the improvement of social conditions of disabled people, families that have lost a sponsor and other socially vulnerable groups.

In the Sphere of Agriculture

1. Assist in the performance of agricultural works;
2. Assist in carry out pedigree and seed development activities.

6.3. State Delegated Powers of Local Self-Government Bodies

In the Sphere of Protection of the Rights of Citizens and Economic Agencies

1. Take measures for the prevention of technological and natural disasters and elimination of their consequences;
2. Provides necessary equipments for elections;
 - 2.1. Defines tutelage and guardianship, conducts other powers of tutelage and guardianship bodies
 - 2.2. Removes the campaign posters that violate RA Electoral Code.
3. Manage the service of civil status registration;
 - 3.1. Take measures to explore the cases of not registering the births of babies and providing state registrations of those births, in the cases stipulated by law submits written announcement for state registration.
4. Ratify the wills of community residents, if there is no permanent notary office operating in the community;
5. Approve the warrants of the community residents in respect of driver licenses, receiving payments under employment arrangements, including wages and salaries, receiving benefits and stipends, bank deposits and postal communication, including pecuniary and parcel, if there is not permanent notary office operating in the community.

In the Sphere of Protection of Public Ordinance

1. In order to properly exercise the powers vested by this Law, may demand appropriate assistance from the authorities responsible for protection of public security and operating within the territory of the community, which shall be subject to mandatory performance by such authorities. The latter shall ensure provision of weekly information to the Chief of the Community, on breaches taken place in the

community;

2. Impose administrative sanctions in cases and in a manner specified by law.

In the Sphere of Land Use

1. Conduct of urban development and land cadastre of the community, and provide information to the State Committee of Real Estate Cadastre, State bodies of urban development and land cadastre;
2. Carry out land balance of the community in accordance with the established procedure;
3. In accordance with the established procedure, allocate, revoke and lease out lands solely on the basis of the contracts concluded by himself, and, in cases and in a manner specified by legislation, alienate State-owned lands located in the territory of the community, in accordance with the general urban development plan and the land zoning and use scheme of the community;
4. Ensure protection of the geodetic points and border milestones of the community in accordance with the defined order.

In the Sphere of Transport

Upon presentation of authorized bodies approve and permit installation and dismounting of traffic signs on roads within the community territory. Traffic signs installed without the consent of the Chief of the Community shall have no legal force.

In the Sphere of Education, Culture and Works with Youth

Organize mass measures to celebrate the holidays of the Republic of Armenia and commemoration dates.

In the Sphere of Labour and Social Services

Organization of the activities of social safety service within the community.

In the Sphere of Agriculture

1. Assist in the works related to prevention of plant diseases, struggle against pests and weeds in the territory of the community;
2. Assist in provision of veterinary services, performance of anti-epidemic arrangements and in observance of rules for prevention of animal diseases and other agricultural rules in the territory of the community.

In the Sphere of Natural and Environment Protection

1. Carry out supervision in the sphere of nature protection, as well as assist in the arranging for the use and protection of entrails, forest, water areas, atmosphere, flora and fauna.
2. Ensure protection of lands from sliding, flood, mooring, and pollution by chemicals and radioactive agents and industrial waste.

7. Intercommunity Cooperation

7.1 Intercommunity Associations

For the purpose of jointly resolving various community problems and reducing expenses the local self-government bodies may form intercommunity associations which have the status of a legal entity and their objectives, powers are defined by law. The intercommunity associations are formed by Chiefs of Communities through concluding contracts, which shall be approved by Community Councils. For the purpose of management of the intercommunity associations Association Councils shall be created. The Council of intercommunity association shall consist of Chiefs of Communities, who shall elect the Council Chairperson from their members.

It is significant that since 1996 no intercommunity association was formed in Armenia. Some explain it by the legislative uncertainty, others – by lack of initiation.

7.2 Other Forms of Intercommunity Cooperation

Besides intercommunity associations, communities may cooperate in other forms. One of the most common forms of cooperation is the formation of union of communities. They exist on national and regional levels. Union of Communities of Armenia acts on national level to which all communities in Armenia are members. There are also thematic and specialized unions (Communities Finance Officers Association, Union of Elders of Armenia, Information Technology Development and Training Center NGO and so on).

There are also unions of communities that include communities of previous administrative districts. These unions have a status of legal entities and could not prove their vitality during time.

In practice intercommunity cooperation through targeted unions and joint companies have no use.

Intercommunity cooperation between communities of Armenia and foreign communities are very common in the form of sister cities. Such cooperation mainly exists in the fields of practice exchange and culture.

8. Finances

8.1 General Structure of Community Budget

A community budget is a financial plan of revenues (inflow) and expenditures for a period of one year targeted at implementation of the three-year program of the community and powers ascribed to a community by the legislation.

The community budget shall consist of:

- Administrative constituent
- Fund constituent.

From the **administrative** constituent of the budget expenditures of mandatory and volunteer powers, expenditures of fulfilling state delegated powers and deductions from fund constituent, repayments of loans borrowed for financing administrative costs, as well as budgetary provisions of loans are financed.

From the **fund** constituent of the budget capital expenditures related to mandatory and volunteer powers, repayment of loans borrowed for financing fund expenditures as well as budgetary provision of loans are financed.

The Chief of Community shall submit the draft of community budget to the Community Council for discussion within two months after the preliminary indicators of subsidies from the state budget allocated to community budgets on the basis of financial adjustment principle are published.

Members of the Community Council shall submit proposals and in cases when any such proposal envisages new expenditures the author of such change shall have to point out the sources for adequate financial resources.

In case the State budget is not accepted before the beginning of the next year, the expenditures shall be funded in accordance with the previous budget year proportions.

Basic revenues of community budget are:

- Deductions from state taxes, fines and fees,
- State budget transfers
- Local taxes, duties and fees,
- Payments for renting community lands and property
- Receipts generated on alienation of community property
- Non-official transfers
- 30% of the receipts generated on privatization of the real estate located within the administrative borders of the community concerned.

8.2. Local taxes, duties and fees

Community budget is formed from the defined revenues including local taxes and duties.

Local taxes are:

- Land tax - for the lands located within the administrative borders of the community
- Property tax - for the property located within the administrative borders of the community
- Hotel tax.

Local taxes as revenues totally comprise the budget of the community in the administrative territory of which they are collected.

Collection of land tax and property tax in each community is mandatory. Collection of other local taxes and definition of their rates is adopted by the Community Council after presenting by the Head of the Community.

Except land tax and property tax minimum and maximum rates of local taxes are defined by law and the Community Council approves rates of local taxes. Collection of local taxes and tax administration is a mandatory power of a community.

Minimum and maximum rates of local taxes are defined by law on each kind of tax and Community Council approves the rates after presenting by the Head of Community.

Local self-government bodies can estimate and reestimate the fund of the real estate object to be taxed and present the results to authorised body of reestimate or litigate in a judicial way.

Collection of local taxes is the mandatory power of head of community.

Local duties are:

Local duty is a mandatory payment charged for exercising powers of local self-government bodies in a manner and rate defined by law. In separate cases stipulated by law local duties can be charged regularly.

Physical and legal persons are considered payers of local duties. Joint rates are defined for all payers of local duties in the territory of a community.

Types of local duties are:

1. For granting permit for constructing, reconstructing, strengthening, rehabilitation, modernization and renovation (except cases requiring no permit according to RA legislation) of buildings in the administrative territory of a community (including non-permanent), and for non-permanent buildings – permit for setting.
2. For granting permit for demolition of buildings, constructions, other objects of urban development in the administrative territory of a community,
3. For granting permit for sale of alcohol drinks and (or) tobacco products, and in public food facilities for the expenditure of alcohol drinks and (or) tobacco products.
4. For granting permit to organise open trade in the territory of a community.
5. For granting permit of work to trade, public food, entertainment, winning games and lotteries in the administrative territory of community after 24:00.
6. For granting permit for keeping domestic animals in the territory of Yerevan city and urban communities according to municipal rules.
7. For granting permit for setting advertisement in the administrative territory of a community.
8. For provision of copies of documents from the archive of a community
9. For granting permit for delivering taxi service (except mini buses) in the territory of a community
10. For granting permit for retail trade of things made of precious metals in the territory of the community
11. For granting permit for retail trade of liquid fuel, technical liquids, liquefied gas in the retail outlets of liquid fuel, technical liquids and liquefied gas
12. For parking transport means in paid parking in the streets of joint use defined by the Council in the administrative territory of community.

Fees for Services Rendered by a Community

The community shall define, in accordance with the legislation, fees for water supply and removal, irrigation, heating, trash removal, servicing apartment buildings, and other services with a view of solving everyday problems of the population. The fees shall be approved by the decision of the Community Council. If such services are rendered by the community budgetary institutions, the collected funds shall be channelled to the community budget. Rendering such services by commercial organizations shall be subject to auctioning, to which a participant shall be the commercial organization engaged in rendering such services. In this case, one of the conditions of the tender shall be the maximum rate of the mandatory fees proposed by the community. In case the successful bidder is the commercial organization of community subordination, the fees shall be collected by that organization. If the successful bidder is an organization, which is not a property of the community, the community shall conclude an agreement with such organization stipulating the terms and conditions for rendering the services, rates of fees to be collected, which will be assessed by the successful bidder.

Local fees are:

1. Fee for services delivered by local self-government bodies for developing and approving technical economic conditions related to reconstruction of buildings in the territory of the community which changes the external look of the construction, documenting the completed construction.
2. Compensation fee for services delivered by local self-government bodies such as necessary measuring and such kind of work in cases of allocation, lease and withdrawal of lands being under use and management of local self-government bodies.
3. Compensation fee for expenditures made for organizing competitions and auctions by local self-government bodies.
4. Garbage collection fee arranged by local self-government bodies
5. Permit fee for construction and bulky waste collection and transportation done by local self-government bodies.

8.3. Subsidies Allocated to Community on the Principle of Financial Equalization

Subsidies are one of the two official transfers made by state.

To ensure harmonious development of the communities subsidies shall be allocated to community budgets from the State budget on the principle of financial equalization. The community shall not be obliged to spend the financial resources received on the principle of financial equalization to cover specific expenses or for offset purposes.

The total sum of subsidies allocated to communities from the State budget on the principle of financial equalization shall be calculated based on no less than 4% of the actual revenue of the RA cumulative budget during the previous budget year.

The way of allocation of subsidies between communities is defined by RA Law of "Financial equalisation".

The amount of subsidies is accounted by budgets of separate communities dividing:

1. Communities having not more than 300 population
2. Communities having more than 300 population.

Amount of subsidies for communities having more than 300 population is decided taking into account the following factors describing their economic situation:

- a. Calculated level of land tax and property tax per capita of population,
- b. Number of population of community.

8.4. Other official transfers

State budget subventions to community budgets are also one of the official transfers. Subventions are provided for realising a concrete project. State budget subventions (target transfers) can be spent both for current and capital expenditures.

8.5. Other Revenues of the Community Budget

- Revenues from state taxes and duties

Deductions are made from state taxes to community budget; they are deductions from income tax and profit tax. The rates of deductions for the community budget are defined by RA Law on State budget annually.

- Revenues from state duties

They are state duties for registration of citizenship acts, and issuing extra registration certificates to citizens; for making changes and amendments in the register of civil residence acts; for issuing of restitution certificates; for notary services: issuing of copies of certified documents; drafting of contracts and appeals; making copies and annotations of documents;

- Deductions from state budget environmental duties

The rates of environmental budgets are defined by state budget law annually.

- Other revenues

Revenues from the rent of community reserve lands and the state reserve lands located within the administrative borders of communities;

Revenues from the rent of the property of local self government agencies and subordinate budget institutions;

Charges on administrative offences imposed by local self governments;

Deductions from the profit of the institutions subordinate to local self government agencies, which are carried out by the decision of the local council;

Proceeds from the sales of the property devised or donated to local self government agencies and subordinate institutions, or the property in abeyance;

The functions delegated to local self governments are finance from state budget funds allocated for this purpose to community budgets;

Proceeds from the sales of material values from the reserves of state and local government agencies;

Sources for financing budget deficit – loans, subsidies.

Other.

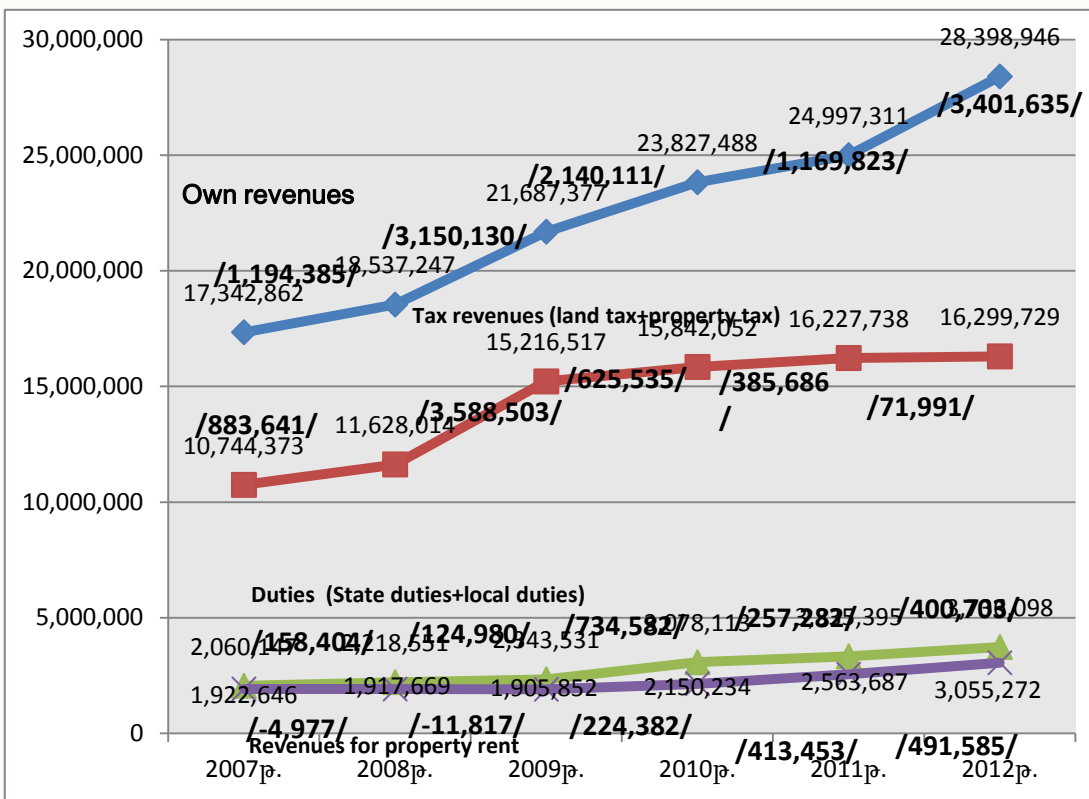
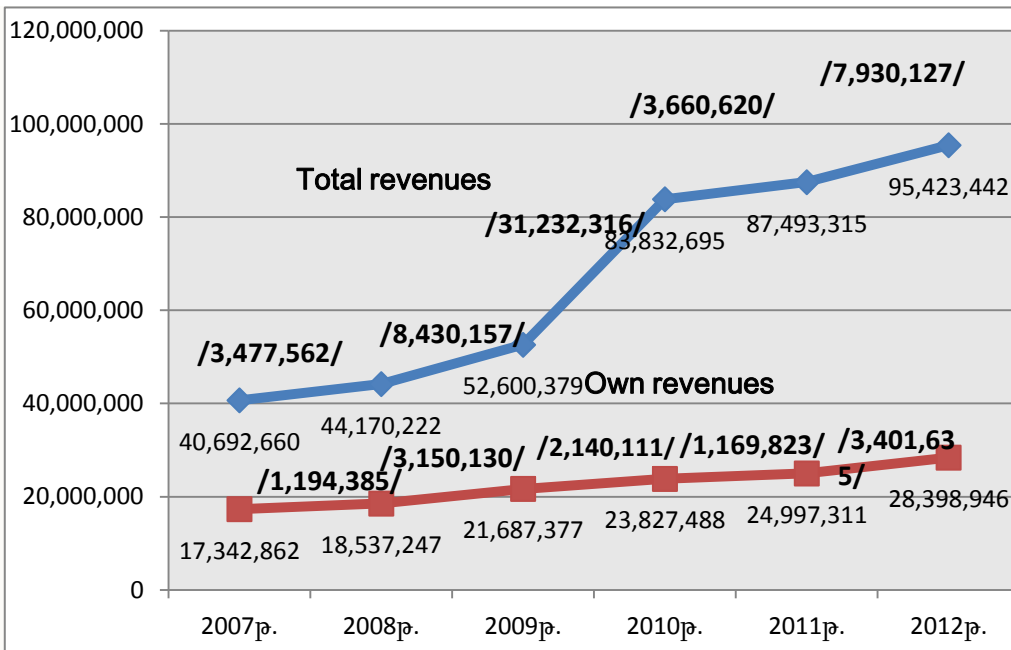
8.6 Execution of the Community Budget

On the basis of the budget, the Chief of the Community defines the goals of the Staff of the Chief of the Community and its subdivisions approve quarterly or monthly plans of cash transactions of the subdivisions. The Chief of the Community ensures the execution of the budget, sign all financial documents on a mandatory basis and is personally responsible for the accurate and legitimate performance of financial operations.

Supervision over community budget execution shall be carried out by the Community Council, who is entitled to check out any budget operation, efficiency and quality of the works done, as well as require reports on the expenditures performed. In order to ensure sustainable and efficient supervision over the budget execution, the Community Councils may in accordance with the defined procedure, involve auditing services. Expenses to be incurred for performing audit activities shall be borne in the budgets of respective communities.

The Chief of a Community shall, on a quarterly basis and on the dates defined in the budget legislation of Armenia, submit information notes on the progress of budget process to the Community Council. An annual report on budget execution shall be submitted to the Council till March 1 of the next budget year. On completing the discussions, the Community Council shall issue a decision on approval of the budget execution report. In case the annual budget execution report of the community is not approved, the Community Council shall be entitled to bring a dismissal motion against the chief of community in accordance with the legislative procedure.

Below is information about the execution of community budget for 2007-2012.



Generally, total revenues of community budgets in 2012 have increased by 136.2% or 55,020,499 thousand AMD since 2007. The increase of own revenues comprises 11,529,528 thousand AMD or 68.3%, so own resources have increased by 1.7 times. The index of land tax has increased by 912,961 thousand AMD (27.7%), property tax by 4,622,776 thousand AMD (61.9%), local duties – by 1,779,038 thousand AMD (143.2%), revenues from property rent – by 1,132,102 thousand AMD (58.9%).

8.7. Servicing the Community Budget

Servicing of the community budget execution in accordance with procedures defined by laws and other legal acts shall be performed through its field treasury offices, where each community shall hold their account. The approved community budget and any changes that might have been incorporated therein shall be submitted to the respective field treasury office within a period of one week, and such field treasury office shall have to immediately perform allocation of financial resources as demanded by the community, if adequate funds are available on the account of the community and envisaged in the community budget.

Financial resources donated to the communities by private persons for implementation of targeted projects may be placed in a bank account under the request of such persons, the decision of the Community Council and if so agreed by the authorized state body.

The field treasury offices shall submit the daily information on revenues and expenditures of a community budget to the Chief of the Community.

9. Community Property and economic activity

9.1. Community property

A community shall have property protected by the Constitution and legislation of the Republic of Armenia. Property of a community is represented by real estate and movable assets, including financial resources and other property titles.

Depriving the community of its property for the needs of the State may only be performed in exceptional cases on the basis of legislation with adequate compensation made in advance of such transaction.

The property of a community shall undergo inventory on a yearly basis by the Chief of Community which inventory shall be submitted to the Community Council for approval. Within a week after acquisition and/or alienation of property, the Chief of a Community shall prepare respective changes in the inventory list, which will be approved by the Community Council at its next session.

In accordance with this law, the lands located within administrative boundaries of a community shall be transferred free of charge under the jurisdiction of the respective community.

A Community shall have the right to dispose of, manage and use its lands in accordance with the order defined by the legislation.

The property, belonging to the state and is targeted for fulfilment of the mandatory powers attributed to the communities by RA Law on “Local Self-Government” shall be transferred to the communities free of charge.

Mandatory powers of the communities shall be fulfilled by the staff of the chief of community, budgetary institutions, commercial and non-commercial agencies and organizations. The following state assets may be the property of communities: State-owned kindergartens, communal utilities and

other communications, water supply and removal, sewage, heating and trash removal utilities located within the community, together with all their internal community networks.

The following may also be the property of a community: specialized schools, clubs, culture halls, theatres, cinemas, museums, libraries, exhibition halls, markets, health and transport enterprises and organizations, streets, squares, bridges, state owned residential stock and non-residential areas, recreation areas, cemeteries, other structures of community importance, as well as administrative buildings, educational, culture, sport and other objects and structures, enterprises, organizations, transportation means, other real and movable property. Internal networks of gas and electricity supply, drinking and irrigation pipelines together with their water reservoirs and pumping stations also represent the property of the community.

In transferring the property of legal entities to a community as an ownership, the land attached to such property shall be transferred to a community as well.

The property defined under this law shall be transferred to a community in accordance with the requirements of this law, i.e. under the respective Government Decree.

The property of a community shall be construed by virtue of:

1. Transfer of state owned property to the ownership of communities;
2. Operations of enterprises and organizations under the community subordination;
3. Revenues of the community budgets and other financial inflows not prohibited by the legislation;
4. Property and assets acquired at the expense of community budget resources;
5. Charity donations, gifts from citizens, agencies and organizations;
6. Other sources not prohibited by legislation.

9.2. Business Activity of a Community

Further to the decision of the Community Council, a community, with a view of exercising its powers, may create budgetary institutions, commercial and non-commercial agencies.

Community agencies and institutions may be:

1. Budgetary institutions;
2. Commercial and non-commercial organizations, which totally belong to the community; and
3. Commercial organizations, where the community has its share.

9.3. Development Program of a Community

The Chief of Community shall elaborate the community four-year development program, which he shall submit for the approval of the newly elected Community Council within a period of three months after the latter has assumed its office. If the period of assuming the office by the newly elected Chief of

the Community falls within the period of three months of assuming the office by the newly elected Community Council, then the newly elected Chief of the Community shall submit the four-year development program for the approval of the newly elected Community Council either within a period of three months after assuming the office by the Council or within a period of two months of his assuming the office.

The four-year development program of the community includes provisions about development of urban development programs and their amendments defining the territorial development of the community.

Community Council shall discuss the presented program, introduce amendments and approve it in its decision.

In elaborating the annual budgets of the community, the Chief of Community shall take into consideration the crucial needs of the community population, three-year community development program, as well as the resources available.

10. Supervision over Local Self-Government Bodies

Supervision conducted over activity of local self-government bodies is regulated by Chapter 7 of RA Law on “Local Self-Government”, as well as Decree of RA President N NH728, Provision 1.37 made in 1997, May 6 through implementation of administrative control.

10.1 Administrative Control over Activity of Local Self-Government Bodies

Administrative supervision is conducted over the own and delegated powers of the head of community and over powers of the Community Council. Administrative supervision over the own powers of the head of community and over powers of the Community Council is limited by checking only the legitimacy of realisation of powers, which is called **legal** supervision.

Administrative supervision over delegated powers of head of community is defined for checking legitimacy, efficiency and unity of exercising them, which is called **professional** supervision.

Bodies conducting legal and professional supervision are regional governors who fulfil legal and professional supervision over own and delegated powers of head of community and over powers of the Community Council.

10.2. Financial Control over Activity of Local Self-Government Bodies

Financial supervision over the budgetary and financial economic activity of Community Council and Head of Community is conducted in cases and in a manner stipulated by RA Law on “Budgetary System”.

According to RA Law on “Control Chamber of the Republic of Armenia”, Control Chamber conducts the following kinds of supervision: financial, compliance, efficiency (executive) and environmental.

Financial supervision is a kind of supervision conducted by Control Chamber through which the veracity of the reports submitted as a result of maintenance of financial economic documents during the usage of budget means and state and community property.

Provision 4 of Article 16 of RA Law on “Local Self-Government” defines that Community Council supervises the performance of the community budget and the use of loans and other financial resources received by the community.

10.3. Audit Supervision in the System of Local Self-Governance

In the Ministries of the Republic of Armenia internal audit system acts under the supervision of the Minister, in other state agencies of RA Government the supervision is conducted by head of the agency, in communities of the Republic of Armenia – by Head of Community, in other state bodies founded based on RA legislation – by head of that body.

11. Interrelations between the State and Local Government Bodies

Government system of the Republic of Armenia is two-level:

- Central government (state)
- Local self-government.

Central governance is conducted by RA Government which has wide powers. Marz is a administrative territorial division and comprises part of government together with other state bodies as it has no elected bodies and budget.

Local self-governance in Armenia is a separate link of public administration. Lists of powers exercised by communities are defined by law, part of state powers can be passed to local self-government bodies as delegated powers. Local self-government bodies develop municipal policy themselves and independent from government.

11.1. Mechanisms of Dismissal of the Head of Community

The power to initiate a proposal for dismissal of head of community is granted to :

- Community Council
- Regional governor.

The Community Council shall discuss a motion for dismissal of the Head of the Community, if so requested in writing by at least one-third of the total number of the Council members. The Community Council may submit the proposal for dismissal of the Head of a Community if:

- Not fulfilling or not sufficiently fulfilling the mandatory powers and delegated powers of state within the framework of community budget revenues.
- According to the decision of the court a number of decisions that contradict law or other legal acts are considered void.
- During a year in the periods stipulated by law two times sessions were not held by head of community.

A decision on a motion for dismissal of the Head of the Community shall be passed by more than 50% of the votes of the duly defined total number of the Council members. The said decision shall be delivered to the Regional Governor within a period of three days in marzes. The Regional Governor shall submit the motion for dismissal to the Government within three days, and shall attach thereto a Statement of his opinion.

The Community Council may discuss a motion for dismissal of the Head of the Community not earlier than one year after the Head of the Community accepts his office.

The government shall discuss the legitimate initiative of the Regional Governor on dismissal of a Head of Community. Regional governor may submit the proposal for dismissal of the Head of a Community if:

- Not fulfilling or not sufficiently fulfilling the mandatory powers and delegated powers of state within the framework of community budget revenues.
- According to the decision of the court a number of decisions that contradict law or other legal acts are considered void.
- During a year in the periods stipulated by law two times sessions were not held by head of community.

Prior to submitting the draft decision on dismissal of a Head of Community, the Regional Governor shall communicate the above to the Head of Community in question. On receipt of the draft decision, the Head of Community shall convene an extraordinary session of the Community Council within a period of two weeks. At its session, the Community Council shall discuss the justifications of the Regional Governor as to the dismissal of the Head of Community, and, upon listening to the statement of the Head of Community, issue a decision based on its relevant justifications. The decision of the Community Council accompanied with the opinion of the Head of Community attached, shall be submitted to the authorized state body and Regional Governor within a period of three days. Through the authorized state body, the Regional Governor shall submit his draft decision with the justifications and attaching the opinion of the Head of Community and the decision of the Community Council to the Government.

The government shall discuss the legitimate initiative of the Community Council or Regional Governor on dismissal of a Head of Community, and take the respective decision within a period of one month. This case shall be submitted to the Government for discussion by the authorized state body. The decision of the Government on dismissal of a Head of Community shall be communicated to the Head of Community and Community Council in question within a period of two days. The decision of the Government on dismissal of a Head of Community may be protested by the Chief of Community or the Community Council in the court within a period of ten days after the government

decision has been received. Prior to legal enforcement of the court resolution, no extraordinary elections of the Head of Community may be held, and the Head of Community concerned shall continue in the office.

11.2. Interrelations between Executive Government and Local Self-Government Bodies

Local self-government bodies are not part of state governing bodies, and execution of powers of local self-government bodies by state agencies and officials is prohibited if law does not define something else.

The state may not, by virtue of its laws, increase the powers of communities or reduce their revenues without adequate financial compensation. On December 5, 2006 RA Law on “The procedure of state compensation of community budget losses as a result of implementation of laws of the Republic of Armenia decreasing revenues of community budget”, according to which losses of community budget are subject of compensation for the year of coming into force of the law causing the losses and during the next two years if nothing else is stipulated by law.

State bodies do not intervene in the activities of local self-government bodies in any way but they exercise administrative supervision over the realisation of their powers.

Prior to assuming the office by the newly elected Head of Community, the Prime Minister shall appoint Acting Head of Community in a Head of a city community, and Regional Governor in the village community within three days. Acting Head of Community may not be promoted as a candidate for election to the office of the Head of Community.

11.3 Interrelations between Judicial Government and Local Self-Government Bodies

Community as a subject of civil legal relations can apply to the court as a claimant or defendant for any issues related to community interests and exercise of powers of local self-governance bodies. In the court head of community or any person authorised by him can officially represent the community. In cases stipulated by law community council, member of community can also apply to court.

Local government bodies are entitled to protest in the court the decrees and/or directives of the state governance bodies and officials, which breach the rights of local communities. The authorized state bodies, as well as the respective Regional Governors, are entitled to protest the decisions, actions and/or idleness of local government bodies in the court (RA Law on “Local Self-Governance”, Articles 70, 71).

Expenditures of judicial cases between head of community and community council, member of the council and local self-government body are covered from community budget.

11.4. State Policy towards Communities with Special Needs

RA Government committed to the development of communities with special needs as a result of which it defined:

- List of communities with special needs which involve high mountainous, mountainous, distant and border communities.
- Concept note was adopted to resolve problems of such communities as a priority

The purpose of the concept is creation of sustainable social economic development bases for the above-mentioned communities through organising complex events and provision of sustainable development.

RA Government maintains also policy of tax privileges for such communities.

On July 30, 2011 RA Government adopted RA territorial development concept in which the following objectives were stipulated:

- a. Equitable development of territories: it supposes decrease of difference of life level between city of Yerevan and regions as well as between regions and bringing the development rates of marzes to the development rates of Yerevan.
- b. Increase of competencies of territories: it supposes explosion of competitive advantages of current resources in territories, creation of necessary conditions especially in terms of infrastructures as well as use of human resources (group of knowledge, skills, experience) as an intensive development factor for the sake of economic development of the territory, for problem resolution and fulfilment of needs.
- c. Diversification of economy in territories and enlargement of income sources of rural population
- d. Improvement of housing conditions
- e. Formation of modern social, engineering, transport, communication, post, telecommunication and other infrastructures.

12. Municipal Service as an Independent Type of Public Service

Municipal service is an independent type of public service which is conducted in the staffs of municipalities and refers to the performance of functions vested in the legislation of local self-government bodies. System of municipal service was established since 2006, that is in line with the formation of the staff of RA Ministry of Territorial Administration. After establishment of the system of municipal service (2006) extensive work was done directed to the improvement of RA legislation on municipal service by adopting RA Laws on “Amendments and restatements to be made on RA Law on Municipal Service” on September 30, 2008, February 10, 2011, February 5, 2013. This solved the problems raised in the first stage of implementation of the system. As a result of legislative amendments of 2013 RA Law on “Municipal Service” is in compliance with RA Law on “Public Service” in a necessary volume.

Now the positions of municipal service are 6782, 1614 of which are positions of Yerevan Municipality municipal servants.

12.1. General Classification of Municipal Service Positions

Positions of municipal service are classified into the following groups:

- a. Chief positions of municipal service
- b. Leading positions of municipal service
- c. Junior positions of municipal service

Each group of positions of municipal service is classified into 1st, 2nd, 3rd sub-groups. In the groups of positions of municipal service the 1st subgroup is the highest subgroup of that group. RA Deputy Prime Minister, Minister of Territorial Administration adopted the list of positions in each group and subgroup.

Based on the sample models of position passports developed by RA Territorial Administration, heads of communities adopted the passport for each position involved in the lists of municipal service positions where all the requirements for the positions are defined: education and work experience, knowledge, skills, level of interactions, subordination.

12.2. Legal Protection of Municipal Servants

Article 33 of RA Law on “Municipal Service” all the ground for dismissal of a servant are described including the concrete types of disciplinary penalties adopted by Law N HO-4-N on 05.02.2013 the sequential implementation of which will result in dismissal of a servant, in particular:

- After the application of the penalty “severely reprimanded” prescribed by law during one year in case of new disciplinary violation application of the penalty “decreasing the rank by one degree”.
- After the application of the penalty “severely reprimanded” or “decreasing the rank by one degree” prescribed by law during one year in case of new disciplinary violation application of the penalty “severely reprimanded”.

According to RA Law on “Amendments to be made in RA Law on Municipal Service” on 19.03.2012 N AL-120-N the frame of paid jobs allowed for the servants was enlarged, as a result municipal servant now can do the following paid jobs: scientific, pedagogical, creative and member of electoral commission.

12.3. Social Guarantees of Municipal Servants

1. According to RA Law on “Municipal Service” municipal servant is guaranteed:
 - a. Safe and necessary working conditions for fulfillment of service duties,
 - b. Remuneration, premium for higher degree than it is in the subgroup of position he/she runs and other payments prescribed by RA Legislation,
 - c. Annual paid vacation,
 - d. Training preserving the position and salary,
 - e. Mandatory state social insurance in cases and in manner stipulated by law,

- f. Provision of security from violence, intimidation and other harassments related to him/her and his/her family related to municipal duties based on the municipal application in the cases and manner stipulated by RA legislation,
 - g. Reimbursement of expenses of transporting, housing and other expenses related to business trips in the manner of RA legislation,
 - h. Provision of corresponding payment in case of becoming disabled while conducting service duties, and in case of death payment to members of family in the manner stipulated by RA Law.
2. Article 31 of RA Law on “Local Self-Government” defines the procedure of remuneration, including cases and rates of premiums and extra payments, in particular the procedure of extra payments for servants having higher degrees than the degrees of the subgroup their position belongs to, as well as extra payments for servants having experience of many years (at least 5 years) in the field of municipal service and servants of staff and budgetary institutions doing hard and dangerous jobs was defined.

12.4. Selection of Municipal Servants

Recruitments of vacant positions of municipal servants can be done in a competitive and non-competitive way in a manner stipulated by law.

Provision of publicity and transparency of announcements to occupy the vacant positions of municipal servants in a competitive way:

For the provision of publicity of vacant positions competitions the procedures of organizing competitions were overviewed. At present the announcement about the vacant positions are published not only on the official website of public notices of the Republic of Armenia <http://www.azdarar.am> but also on the web pages of regional governments and RA Ministry of Territorial Administration and on panels of announcements, information on competitions is sent also to State Employment Service. For participation in the competitions applications can be submitted to the staffs of municipalities as well as to staff of the relevant regional government (RA Ministry of Territorial Administration in case of Yerevan).

12.5. Taking Positions of Municipal Servants in a Non-Competitive Way

Before announcing a competition for a vacant municipal servant position, at the discretion of the official who has the power to make an appointment in that position, someone from the human resources reserve of municipal service can take that position in a non-competitive way by a fixed-term employment contract.

When a vacant position (except secretary of the staff as well as newly-created municipal positions) occurs during a week period before announcing a competition for that position the official who has the power to make an appointment in that position has the power to appoint a servant from the corresponding staff or subdivision who at the same time:

- a. corresponds to the passport requirements of the vacant position

b. is considered an employee from the same group of municipal service or at least has the same degree as the vacant position requires or will occupy a position of 3rd or 2nd subgroups of higher group than the position he/she occupies.

c. in case of a position being involved in the subdivision is considered to be a servant of concrete municipal subdivision, and in case of a position not being involved in the subdivision – municipal servant of the staff.

d. a written agreement was submitted.

12.6. Trainings Conducted for the Development of Knowledge and Capacities of Employees in the Field of Local Self-Government

According to Provision 1 of Article 20 of RA Law on “Municipal Service” each municipal servant must be trained at least once in three years. In line with establishment of the system, the procedure of first mandatory trainings of municipal servants was launched in the years of 2007-2009.

The implementation of first training procedure was provided by RA Ministry of Territorial Administration according to the training programs adopted by the Minister and in the account of the budgetary means intended for it. Giving much importance to the necessity of continuous training of municipal servants and taking into account the limited budgets of the majority of communities, with the initiative of RA Ministry of Territorial Administration the regular mandatory training procedure is organized for the municipal servants of RA regions on the account of RA budget, and the training of Yerevan municipal servants is conducted on the account of Yerevan budget.

Up to now 10215 municipal servants have been trained 9015 of which on the account of RA State Budget.

Since 2010 RA Ministry of Territorial Administration has initiated the training of local self-government bodies. As a result, up to now 2786 heads of communities and members of the Council have been trained.

With the initiative of RA Ministry of Territorial Administration since 2010 trainings of municipal servants of regions are organized this is directed to the increase of efficiency of administrative supervision conducted by bodies of territorial administration. In the framework of this project 272 civil servants of regional governments were trained up to now.