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OF LOCAL AND REGIONAL AUTHORITIES

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**Development of the  
Network of Associations of Local Authorities of South East Europe<sup>1</sup>  
(NALAS Network)**

**Rapporteur:**

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Chamber of Local Authorities  
Political Group: EPP/CD**

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**EXPLANATORY MEMORANDUM**

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<sup>1</sup> Submitted for consideration by the Ad hoc Working Group of Local and Regional Representatives of South-East Europe on 30 May 2005

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## **1. Introduction**

The Congress has already adopted, on 22 May 2003, Resolution 155 (2003) on the Network of Associations of Local and Regional Authorities of South-East Europe. The purpose of this report is to update the information given at the time by your rapporteur Mr Sofianski (CG (10) 10 Part II).

The present report was prepared at the request of the Ad hoc Working Group of Local and Regional Representatives of South-East Europe when it met in Brussels on 2 December 2004 and in Sofia on 17 February 2005.

The Group's terms of reference were initially adopted on 2 July 2002 and later renewed by the Congress Bureau at its meeting on 10 December 2004.

This Group consists of one representative from each country in South-East Europe and one of its tasks is to monitor the development of the NALAS Network.

## **2. Background to the project**

The idea of setting up a network of associations of local authorities of South-East Europe was first put forward at the 1st Forum of Cities and Regions of South-East Europe held in Skopje in November 2000. At its 2001 Plenary Session, on the basis of the Skopje Declaration, the Congress adopted Resolution 111 (2001) which emphasises the importance of associations of local authorities in developing local democracy in South-East Europe. The resolution also reiterates the need to work towards strengthening the NALAs and create a network within which they can come together.

The proposal to set up a network later won the support of the Stability Pact for South Eastern Europe, notably at the Regional Table meeting of the Pact held in Thessaloniki in December 2002, during which the importance of local democracy and transfrontier co-operation was identified as a core objective for the coming years.

The Congress already has considerable experience of co-operation with associations of local authorities in South-East Europe, which dates back to the early 1990s in some cases.

Since Resolution 111 (2001), the Congress has been busy helping to set up the Network through voluntary contributions, mainly from the Swiss government (DDC) under the Stability Pact.

Other donors have also played a part in supporting the Network's development, notably:

- the Central Union of Greek Cities and Municipalities (KEDKE) by holding a conference in Thessaloniki in March 2002,
- the SOROS Foundation (Open Society Institute) by financing the recruitment and salary of a Project Manager.

The European Foundation for the Sustainable Development of the Regions (FEDRE), which has taken a close interest in all of the Network's activities, helped organise the seminar in Geneva in 2002.

The associations of local authorities and the cities which hosted the various seminars and meetings of liaison officers mentioned in the appendix have also provided considerable support for the Network's activities.

Your Rapporteur wishes to thank all the donors who have contributed to the launch and development of the NALAS Network.

In December 2002, the Congress held the Network's inaugural conference in Strasbourg. After 18 months' work, the Network's Statutes (based on the local law of Alsace-Moselle) were signed in the Council of Europe's Assembly Chamber during the Plenary Session of the Congress on 27 May 2004.

The Congress is currently awaiting confirmation of a voluntary contribution so that it can finalise arrangements for the Network's first General Assembly. Originally planned for 13 and 14 May 2005 in Skopje, this General Assembly has had to be postponed until June/July 2005 in order to fit in with participants' financing arrangements and ensure that the event, which is of major importance, goes as smoothly as possible.

### **3. Objectives of the NALAS Network**

The Congress has always stressed the need to strengthen associations of local and regional authorities in South-East Europe as a way of building stability and democracy in the region. Clearly, though, the associations are at very different stages of development and the degree of decentralisation varies greatly from country to country.

From the outset, the Congress has held that linking these associations together in a network would make it easier to share experience and help strengthen the position of each individual association in its own internal political arena. By pooling efforts and experience, the Congress believes that the capacities of each association will be that much more robust, whilst preserving the elements that make them original and unique.

Below is a brief summary of the Network's objectives:

#### Main objectives:

- to develop decentralisation and democratisation in South-East Europe, in the spirit of the European Charter of Local Self-Government;
- to strengthen the individual position, role and capacity of every association in every country, as defenders of the rights and duties of local authorities and as partners of central government.

#### More specific objectives:

- to organise exchanges of information, best practice, experience and legislation between the NALAs of South-East Europe
- to organise joint projects, to be submitted to donors for funding;
- to establish twinning arrangements and technical partnerships.

#### **4. The associations involved in the NALAS Network**

Most countries in South-East Europe have just one Association of Local Authorities. In Bosnia and Herzegovina, however, each entity (Republika Srpska, Federation) has its own association. Slovenia has two associations (Association of Municipalities, Association of Municipalities and Towns) as does Moldova: Association of Mayors and Local Communities, National League of Associations of Mayors. It should also be noted that the Romanian Federation of Local Authorities (FALR) encompasses four local government associations.

The following associations signed the Network's Statutes on 27 May 2004:

- Albanian Association of Municipalities,
- Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina,
- Association of Municipalities and Cities of Republika Srpska (Bosnia and Herzegovina),
- National Association of Municipalities of the Republic of Bulgaria (signed the Statutes in Sofia on 18 February 2005),
- Association of Mayors and Local Communities of the Republic of Moldova,
- National League of Associations of Mayors (Moldova),
- Association of Municipalities of Kosovo (Serbia and Montenegro),
- Standing Conference of Towns and Municipalities (Serbia and Montenegro),
- Union of Municipalities of Montenegro (Serbia and Montenegro),
- Romanian Federation of Local Authorities (Romania),
- Association of Municipalities and Towns of Slovenia,
- Association of Local Self-Government Units of "the former Yugoslav Republic of Macedonia".

In addition, the following European organisations and foundations also signed the Network's statutes on 27 May 2004:

- Congress of Local and Regional Authorities of the Council of Europe,
- Stability Pact for South Eastern Europe (Working Table I)
- FEDRE Foundation,
- Association of Local Democracy Agencies (ALDA).

In the future, it is also planned to invite existing associations of regions in South-East Europe to participate in the Network's activities, in keeping with the terms of reference of the Ad hoc Working Group of Local and Regional Representatives of South-East Europe, as adopted by the Congress Bureau on 10 December 2004.

As it stands today, the NALAS network covers more than 4,000 local authorities, directly elected by over 60 million citizens in South-East Europe.

#### **5. Functioning of the NALAS Network**

Until now, most of the running of the Network has been handled by the Liaison Officers, with logistical support from the Congress and the various member associations.

## The Secretariat

As can be seen from the appendix, the Network has used donors' financial contributions to hold numerous seminars and meetings of liaison officers.

In an effort to minimise the running costs, associations of local authorities have taken it in turn to act as Secretariat of the Network:

- National Association of Municipalities of the Republic of Bulgaria (NAMRB) in 2002
- Romanian Federation of Local Authorities (FALR) in 2003
- Association of Local Government Units of "the former Yugoslav Republic of Macedonia" (ZELS) in 2004
- Albanian Association of Municipalities since April 2005.

Each training seminar having been held in a different city, they have received practical and logistical support from the association in the country hosting the event.

## Role of the Liaison Officers

In order to ensure ongoing contact between the various members of the Network, each association has appointed a Liaison Officer. These officers have played a crucial role in organising technical seminars, preparing the Statutes and planning activities.

## NALAS web site ([www.nalas-see.org](http://www.nalas-see.org))

The web site is a valuable tool for Liaison Officers and anyone wishing to find out more about the Network's activities.

A detailed record of each seminar and a list of the decisions taken at each meeting of Liaison Officers is available on the site, together with the main items of information concerning the various Network structures and future activities.

## Project Manager

With financial support from the SOROS Foundation, a Project Manager was appointed in March 2005 for a provisional period to:

- represent the NALAS Network in its dealings with its partners and other networks and in international forums,
- maintain ongoing relations with the Liaison Officers,
- attend to the day-to-day business of co-ordinating activities and preparing future projects.

This position is currently held by Mr Adrian MIROIU (Romania).

Under the Statutes, an Executive Director of the Network is to be appointed by the elected President of NALAS, on a proposal from the Committee of Liaison Officers.

#### First General Assembly of the NALAS Network (June/July 2005)

Under the Network's Statutes, based on the local law of Alsace-Moselle (which was chosen in the light of the experience of the ALDA and the ENTO Network and in view of the legal and financial benefits associated with this regime), each member association is to be represented at the first General Assembly by two representatives. For the Network, this General Assembly will be the most important gathering over the coming months. Its main task will be to elect a President, to form the Network's Executive Bureau and to identify the main priorities for future activities.

Your Rapporteur is currently interim President of the Network, since until March 2005, the Secretariat was provided by the ZELS association.

The General Assembly, which was unable to be held as planned on 14 May 2005, will now take place in Skopje in June/July 2005.

## **6. Main activities of the Network**

### a. Workshops and training seminars

For four years now the Network's activities have mainly involved running workshops and training seminars (for national correspondents and a few specialists from the associations), drafting the Network's statutory texts, preparing a strategic plan for the Network (see below) and preparing joint projects submitted to donors for funding.

Some of the projects already submitted on behalf of the Network need to be developed further in order to secure the support of potential donors. They need to be reviewed and presented in greater detail in order to meet the requirements of European Union programmes or other donors.

In the course of these meetings and seminars (cf. list in the appendix), each representative of the associations had an opportunity to share information and experience about developments on the local democracy front in Europe and neighbouring countries and to find out about the various laws in force as well as the actual role played by each association *vis-à-vis* the national authorities in the country concerned.

#### Strategic plan 2004-2007

In the light of the support given to the Network by Congress Resolution 155 (2003), the national correspondents drew up a strategic plan which was formalised after lengthy discussions at a meeting in Durrës (Albania) in September 2003.

### *Medium-term objectives*

1. Develop the Network over the coming years into one of the main centres of expertise as regards the problems facing local authorities in South-East Europe (through sharing experience);
2. Set up ad hoc Groups of Experts on a priority project, to be agreed each year (with a view to influencing the policies of donors and central governments);
3. Secure donor funding and implement at least four joint projects for all Network members.
4. Frame a communication strategy for the NALAS Network with a view to publicising the Network among donors, local authorities, central governments and international NGOs.

So far, these objectives have been only partially achieved.

### NALAS Network's contribution to the Regional Ministerial Conference of South-East Europe (Zagreb, October 2004)

The NALAS Network has made a significant contribution to the work of this ministerial conference by participating in the debates and adopting a specific Declaration attached to the Final Declaration of the conference (cf. appendix).

This Declaration has helped raise the Network's profile among the official bodies responsible for local government in the various countries of South-East Europe. It has drawn ministers' attention to the need for ongoing consultations with local government associations when introducing legislation on local authorities and implementing laws which directly concern the local authorities of South-East Europe.

As a result of this ministerial conference, each country has pledged to introduce a nationwide work programme for local authorities, with the promise that this programme will be submitted to the NALAs in each country for approval and that the associations will be treated as partners of central government when it comes to implementing the various decisions related to these national programmes.

Politically speaking, this is a major step forward that promotes recognition of the role associations can play in each country. The NALAS Network will thus have played a full part that it should pursue in preparing the conference which is to be held in Skopje in 2006 to evaluate these national programmes.

## **7. Final considerations**

The Congress has been a driving force in setting up the NALAS Network, of which it was one of the main founders. None of the activities carried out over the past four years would have been possible, however, without financial assistance from various donors.

The Congress has also played a major role in preparing the NALAS Statutes, which provide a solid legal basis for the future development of the Network.

It is now up to the Network itself to use this foundation to find the best options for implementing specific programmes, for the benefit of all the associations in the Network.

The aim in the long term is to make the Network more effective and, most importantly, more independent, ie capable of dealing on its own with the various contributions that will be needed and of implementing specific activity programmes.

The NALAS Network, as it stands today, has numerous strengths which can be summarised as follows:

- It enjoys the support of the European institutions, most notably the Congress and the Stability Pact, as well as the support of certain governments, the SOROS Foundation and the FEDRE Foundation;
- in recent years, heads of the associations of South-East Europe have met on a regular basis and thus formed a core group of co-ordinators who have become accustomed to working together and sharing information and experience. Therein lies the main strength of the Network, one which ought to be preserved and developed,
- it has sound, recognised Statutes (which have proven effective in the case of other networks such as the Local Democracy Agencies and ENTO). The NALAS Network now has a solid legal underpinning.

Your Rapporteur wishes to end this report on an optimistic note. The process of setting up the NALAS Network, in the current context, has not been without its problems. There is no point denying it. The fact that it has already succeeded in overcoming certain hurdles, however, shows that the Network has major potential.

The Congress, together with the donors and everyone else who has helped to shape it, are anxious that the Network should continue growing so that it can play its role to the full and meet the expectations of its member associations. That means:

- finding more pro-active, dynamic working methods;
- finding steadier sources of finance (subscriptions, grants, etc.), so as to be less dependent on voluntary contributions and the requirements imposed by donors,
- being in a position to identify joint activities which all the member associations consider useful and urgent.

There is still a great deal of work to do if we are to achieve a fully-fledged, well-run network that provides a genuine forum for discussion.

What we want is a NALAS Network capable of independently conducting joint projects which reflect the added value that the Network can provide, by pooling the efforts and experience of each association. If it can prove to each individual association of local authorities that it offers genuine added value, the NALAS Network will then be in a position to make a substantial contribution to the stabilisation and further development of local democracy in South-East Europe.



## APPENDIX 1

### **List of Nalas meetings and seminars<sup>2</sup> 2001-2004**

#### **2001**

- November 2/3, Istanbul, Turkey  
Meeting on the occasion of the Forum of Cities and Regions of South-East Europe
- December 13/14, Strasbourg, France  
Meeting of the National Associations of Local Authorities of South-East Europe

#### **2002**

- January 25/26, Sofia, Bulgaria  
1st meeting of the Nalas Liaison Officers
- March 8/9, Thessaloniki, Greece  
Training workshop on the exchange of information, including website development
- July 5/6, Jahorina, Bosnia&Herzegovina  
Workshop on "The service provision of the national associations of local authorities to their members"
- October 4/5, Sinaia, Romania  
Workshop on "Internal organisation and management of the association"
- October 25/26, Geneva, Switzerland  
Workshop on "Inter-municipal and cross-border co-operation between local and regional authorities"
- December 11/12, Strasbourg, France  
Nalas Network Inaugural Conference

#### **2003**

- May 9/10, Ohrid, "The Former Yugoslav Republic of Macedonia"  
Training workshop on "How to reach a consensus on the most important decisions for the Associations"
- July 4/5, Belgrade, Serbia and Montenegro  
Training seminar on "Communication skills for the associations"
- September 5/6, Dürres, Albania  
Meeting with the donors active in South-East Europe
- October 23/24, Strasbourg, France  
Meeting for the preparation of the Strategic Plan for 2004-2007

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<sup>2</sup> the reports of these seminars and conferences as well as the decisions of the Liaison Officers meetings which took place in margin of the seminars can be consulted on the website of the Network [www.nalas-see.org](http://www.nalas-see.org)

- November 17/20, Brussels, Belgium  
Training workshop on Project Planning (the first PCM workshop)
- December 18/19, Paris, France  
Meeting on the NALAS draft Statutes

## 2004

- March 5/6- Montalcino, Italy  
Meeting on the NALAS draft Statutes
- April 6/7, Budva, Serbia and Montenegro  
Seminar on "Environmental protection: the role and challenges for the local authorities and their associations"
- July 5/6, Bled, Slovenia  
International workshop on "Management of public funds on local level in South-East Europe: the role of local governments associations"
- September 17/18, Mostar, Bosnia and Herzegovina  
Preparation of Nalas draft-declaration for the South-East Europe Regional Ministerial Conference on "Effective Democratic Governance at Local and Regional Level"
- October 24/25, Zagreb, Croatia  
South-East Europe Regional Ministerial Conference on "Effective Democratic Governance at Local and Regional Level"

## 2005

- February 17-19 Sofia, Bulgaria  
1<sup>st</sup> module of "Training workshop on project planning, workshopping and facilitation"
- April 14-16, Brcko, Bosnia and Herzegovina  
Local economic development Seminar
- June/July, Skopje, "The Former Yugoslav Republic of Macedonia"  
1<sup>st</sup> General Assembly of NALAS

## APPENDIX 2



<p style="text-align: center;"><b>Statutes of the NALAS Association (Network of National Associations of Local Authorities of South-East Europe)</b></p>
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### CHAPTER I: PURPOSE AND COMPOSITION

#### *Article 1*

An association called “NALAS (Network of National Associations of Local Authorities of South-East Europe)” is hereby established.

It shall be constituted in accordance with the local law on associations of the French *départements* of Bas-Rhin, Haut-Rhin and Moselle, as set out in Articles 21 to 79 of the Local Civil Code and kept in force by the Civil Law Introductory Act of 1 June 1924.

The registered office shall be at "La Maison des Associations", 1 A, place des Orphelins, Strasbourg.

The association shall be registered with the Strasbourg district court.

#### *Article 2*

The association shall be set up for an unlimited period.

#### *Article 3*

NALAS shall further the process of democratisation and decentralisation in south-east Europe, in accordance with the principles of the European Charter of Local Self-Government.

It shall develop partnerships between associations of local authorities in south-east Europe so as to promote stability and security, thereby assisting the process of European integration and European Union enlargement for the benefit of the countries in the region.

It shall develop initiatives on behalf of its members with a view to strengthening associations of local authorities in south-east Europe, becoming a representative of local-authority needs that has the ear of central governments and being able to supply effective services to local authorities in south-east Europe.

#### ***Article 4***

The association shall not act from self-interest. It shall be non-profit-making. Any surpluses shall be reinvested in the association's activities in accordance with the aims which it has set itself.

#### ***Article 5***

As laid down in Article 31 of the Local Civil Code, the association shall be liable for any damage which any of its officers, or any other representative appointed in accordance with the Statutes, causes to a third party by any act in the performance of his or her duties which occasions liability.

#### ***Article 6***

The association shall have full members, associate members and honorary members.

The full members will be the following Associations:

*I. Albanian Association of Municipalities, II. Association of Mayors and Local Communities of the Republic of Moldova, III. Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina, IV. Association of Municipalities and Cities of Republika Srpska, V. Association of Municipalities of Kosovo, VI. Association of Municipalities of Slovenia, VII. Association of Municipalities and Towns of Slovenia, VIII. Association of the Units of Local Self- Government of the Republic of Macedonia, IX. Central Union of Greek Cities and Municipalities, X. National League of Associations of Mayors - Moldova, XI. Romanian Federation of Local Authorities, XII. Standing Conference of Towns and Municipalities of Yugoslavia, XIII. Union of Municipalities of Montenegro and XIV. Association of Municipalities in the Republic of Bulgaria<sup>3</sup>.*

Full members shall pay the membership fee set by the General Assembly.

Each full member shall be represented by two elected representatives, each of whom shall have one vote.

Each full member shall also appoint a "Liaison Officer" to sit on the Committee of Liaison Officers and shall notify the General Assembly of the appointment.

The associate members shall be associations of local authorities of countries outside south-eastern Europe, international associations of local authorities, bodies active in the local-authority sector, foundations, international and European organisations, non-governmental organisations and donors.

Associate members shall pay the membership fee and have consultative status in the General Assembly. The associate members shall appoint two representatives from among their number to sit on the Committee of Liaison Officers.

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<sup>3</sup> This Association signed the Statutes on 18 February 2005 in Sofia (Bulgaria).

Honorary membership shall be open to individuals who have served the association with distinction.

Honorary members shall be exempt from paying the membership fee. They shall have advisory capacity.

The Executive Bureau shall keep a list of members.

### ***Article 7***

Applications for full or associate membership shall be made to the Committee of Liaison Officers in writing, stating the applicant's reasons for applying. The Committee of Liaison Officers shall take a decision on the application within three months of receiving it. An applicant or a member of NALAS may appeal to the General Assembly against decisions of the Committee by registered letter sent to the President of NALAS.

Honorary membership shall be granted by the General Assembly by a three-quarters majority of members present or represented.

Honorary membership shall not take effect until accepted in writing by those receiving it.

Membership of the association shall lapse if the membership fee is not paid.

The Committee of Liaison Officers may decide to exclude a member in the event of a serious breach of the association's aims or rules or on account of any other matter seriously prejudicial to the association. The member concerned may appeal to the General Assembly within one month of being notified of the decision.

## **CHAPTER II: ADMINISTRATION AND FUNCTIONING**

### **A. General Assembly**

#### ***Article 8***

The General Assembly of the association shall be composed of all its members.

It shall meet in ordinary session once a year and, as provided for in Article 36 of the Local Civil Code, whenever the interests of the association so require, being convened by the President on such dates as he or she shall determine.

The President shall also convene special sessions of the Assembly at the request of the Executive Bureau, the Committee of Liaison Officers or one third of the members within two months of such a request being made.

The agenda shall be drawn up by the Executive Bureau and approved by the President.

Invitations to attend, accompanied by the agenda, shall be sent to members in writing at least one month before the date of the session.

Only deliberations on items placed on the agenda beforehand shall be valid.

### ***Article 9***

The General Assembly shall:

- decide the shape of the association's work;
- approve the President's and Treasurer's reports;
- approve the accounts of the previous financial year;
- approve the budget estimates;
- deliberate on matters on the agenda;
- deliberate on procedural matters;
- elect the President and two Vice-Presidents;
- be empowered to dismiss the President and the two Vice-Presidents;
- set the membership fee for the following year.

General Assembly resolutions shall be taken by a majority of all the members present or represented who have the right to vote. Each member shall be entitled to a maximum of two proxy votes.

In accordance with Article 34 of the Local Civil Code, no member shall have the right to vote on resolutions relating to legal decisions or judicial proceedings concerning him or her.

No exception shall be made to Article 32 of the Local Civil Code, which provides that even if no assembly of the members has been convened a resolution is valid if all the members agree to it in writing.

Minutes shall be taken of the proceedings. The minutes shall be signed by the President and recorded in a register kept for the purpose.

### **B. Committee of Liaison Officers**

#### ***Article 10***

The association shall be run by a Committee of Liaison Officers comprising a maximum of twenty-one members. Members of the Committee shall be appointed for a period of two years. Outgoing members may be re-elected.

The Committee of Liaison Officers shall be composed of: the President, the two Vice-Presidents, the Liaison Officers appointed by full members, two associate members, the President of the Congress of Local and Regional Authorities of the Council of Europe, the Executive Director and the Treasurer.

The Committee of Liaison Officers may decide to invite other persons to attend its meetings in a consultative capacity.

Should a vacancy arise (for example as a result of death, resignation or dismissal), the Committee of Liaison Officers shall provisionally replace the member concerned. The final replacement shall be made by the next ordinary General Assembly. The term of office of the

replacement member so elected shall end when the term of office of the member replaced would have expired.

### *Article 11*

The Committee of Liaison Officers shall be convened by the President at whatever interval the Committee decides or at the request of one third of its members. The agenda shall be drawn up by the Executive Bureau and approved by the President. It shall include any items requested by one third of the members and shall be enclosed with the written invitations, which must be sent to members at least one month before the meeting. Any further items may be added to the agenda at the start of the meeting at the request of the President or of a member.

### *Article 12*

The Committee of Liaison Officers shall be responsible for carrying out decisions of the General Assembly.

The Committee of Liaison Officers shall:

- ensure smooth operation of the network;
- take decisions on joint projects for the network's members;
- take decisions concerning meetings of the network (number, venue and subject);
- assist the Executive Bureau with its day-to-day work;
- give practical effect to the guidelines set by the General Assembly.
- make proposals to the General Assembly.

Deliberations of the Committee of Liaison Officers shall be valid only if half the members are present, and proxy votes shall not be allowed. Decisions shall be taken by majority of the votes cast.

The President, the two Vice-Presidents, Liaison Officers, two associate members and the President of the Congress of Local and Regional Authorities of the Council of Europe shall have the right to vote. The Executive Director and Treasurer shall have advisory capacity only.

The Committee of Liaison Officers shall elect two of the Liaison officers to sit on the Executive Bureau. The Committee may withdraw these persons' mandate in the event of a serious breach of the association's aims or rules or on account of any other matter seriously prejudicial to the association.

A register shall be kept of the decisions of the Committee of Liaison Officers, and shall be certified and signed by the President.

## **C. Executive Bureau**

### *Article 13*

The Bureau shall manage the association in accordance with the Local Civil Code, in particular Articles 26 para. 1, 27 to 30, 42, 58 para. 3, 59, 67 and 72.

It shall be composed of the President, the Executive Director, the Treasurer, two Liaison officers and one member of the secretariat of the Congress of Local and Regional Authorities of the Council of Europe.

The Bureau may decide to invite other persons to its meetings in a consultative capacity.

Under Article 27 para. 2 of the Local Civil Code, the managing body may be dismissed by the General Assembly.

#### ***Article 14***

The Executive Bureau shall meet as often as it so decides according to whatever arrangements it shall determine.

It shall take all decisions necessary for the overall management and day-to-day running of the association which have not been delegated to the President under the law, the Statutes or a decision.

It shall open a single bank or post office account for all the association's financial transactions.

As the managing body, the Executive Bureau shall ensure that all the legally required entries and notifications are made in the Register of Associations.

In the event of liabilities exceeding assets, the Bureau shall request the initiation of bankruptcy proceedings.

### **D. President – Vice-Presidents**

#### ***Article 15***

The President shall ensure that the Statutes are complied with and that the moral and financial interests of the association are safeguarded. He or she shall be responsible for conduct of the association's day-to-day business in accordance with the Bureau's decisions. Responsibility for the legal, judicial and extra-judicial representation of the association in all civil matters shall fall to him or her within the managing body.

He or she may take alone all such action, as well as action provided for by Articles 59, 64, 67, 71, 72, 73, 74 and 76 of the Local Civil Code. He or she may delegate his or her duties of legal representation to other members of the Bureau.

The President shall notify the Strasbourg district court within three months of any change in the composition of the Committee of Liaison Officers, amendment to the Statutes, transfer of the registered office or decision to dissolve the association.

The President shall be elected by the General Assembly for a period of two years. His or her term of office shall be renewable only once.

Should the post of President fall vacant, the First Vice-President shall be the acting president.

## *Article 16*

The two Vice-Presidents shall be elected by the General Assembly for a period of two years. Their term of office shall be renewable only once. The First Vice President is the older of the two.

## **E. Executive Director**

### *Article 17*

The Executive Director shall be responsible for the day-to-day administration of the association, as well as for communication and internal and international relations.

He or she shall keep minutes of meetings and update the membership list.

The President shall appoint the Executive Director for a period of two years, on the basis of a proposal from the Committee of Liaison Officers. The Executive Director's term of office may be renewed.

The President may, on a proposal from the Committee of Liaison Officers, dismiss the Executive Director in the event of a serious breach of the association's aims or rules or on account of any other matter seriously prejudicial to the association.

## **F. Treasurer**

### *Article 18*

The Treasurer shall ensure that the accounts are in order and shall keep accurate and reliable records of receipts and expenditure.

In consultation with the President, he or she shall present the association's financial report and budget estimates.

He or she shall be appointed by the President on the proposal of the Committee of Liaison Officers for a renewable period of two years.

The President on the proposal of the Committee of Liaison Officers may dismiss the Treasurer in the event of a serious breach of the association's aims or rules or on account of any other matter seriously prejudicial to the association.

### *Article 19*

The powers of each organ may be laid down in greater detail in rules of procedure.

## **G. Resources**

### *Article 20*

The resources of the association shall comprise:

- Membership fees,
- Subsidies,
- Donations and legacies,
- Resources of an exceptional nature
- Other resources.

### **CHAPTER III: AMENDMENTS TO THE STATUTES AND DISSOLUTION**

#### *Article 21*

The Statutes may be amended only at the request of the Committee of Liaison Officers or of more than half of the paid-up full members, but all the members of the General Assembly have the right to propose amendments. An Extraordinary General Assembly, convened to decide any such amendment, must be composed of at least half of the members. If that quorum is not attained, the General Assembly shall be reconvened one month later. It may then deliberate whatever the number of members present.

A two-thirds majority of the full members present is necessary for adoption of a draft amendment.

#### *Article 22*

The rules of procedure shall determine any question which is not settled by the Statutes, in particular regarding the functioning of the Association and the rights and obligations of its members

The rules of procedure cannot be at variance with the Statutes and must reflect the fundamental principles stipulated in them.

#### *Article 23*

Dissolution of the association shall be decided, at the request of the Committee of Liaison Officers, by an Extraordinary General Assembly of the members convened specially for the purpose in accordance with the rules laid down in Article 8.

The General Assembly convened to take such a decision shall be composed of at least half its members plus one.

If that quorum is not attained, the Assembly shall be reconvened one month later. It may then deliberate whatever the number of members present. In all cases dissolution may be decided only by a two-thirds majority of the members present.

In the event of dissolution the General Assembly shall appoint one or more liquidators to liquidate the association's assets. It shall donate the net assets to one or more associations pursuing a similar goal.

The present Statutes were adopted by the **Constituent General Assembly held in Strasbourg on 27 May 2004.**

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## APPENDIX 3



**Association NALAS  
(Network of National Associations of Local Authorities  
of South-East Europe)**

14 February 2005

**LIST OF THE FOUNDING MEMBERS  
having signed the Statutes of the Association NALAS in Strasbourg on 27 May 2004**

1. Mrs Elisabeth REHN  
Chairperson  
Working Table I of the Stability Pact for SEE
2. Mr Lorenc LUKA  
Vice Chairman  
Albanian Association of Municipalities
3. Mr Vitalie VRABJE  
Chairman  
Association of Mayors and Local Communities of the Republic of Moldova
4. Mr Ljubo BESLIC  
Vice Chairman  
Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina
5. Mr Lutfi HAZIRI  
Chairman  
Association of Municipalities of Kosovo
6. Mr Vojka STULAR  
Vice Chairperson  
Association of Municipalities of Slovenia
7. Mr Goran ANGELOV  
Chairman  
Association of Units of Local Self Government of the Republic of Macedonia

8. Mr Vasile BALAN  
Chairman  
National League of Association of Mayors, Moldova
9. Mrs Ludmila SFIRLOAGA  
Vice President  
Romanian Federation of Local Authorities
10. Mr Djordje STANICIC  
Secretary General  
Standing Conference of Towns and Municipalities (Serbia, Serbia and Montenegro)
11. Mr Rade JOVANOVIC  
Vice Chairman  
Union of Municipalities of Montenegro (Serbia and Montenegro)
12. Mr Brano JOVICIC  
Secretary General  
Association of Municipalities and Cities of Republika Srpska (Bosnia and Herzegovina)
13. Mr Giovanni DI STASI  
Chairman  
Congress of Local and Regional Authorities of the Council of Europe
14. Mr Claude HAEGI  
Chairman  
Foundation FEDRE
15. Mr Gianfranco MARTINI  
Chairman  
Association of Local Democracy Agencies (ALDA)
16. Mrs Ginka TCHAVDAROVA  
Executive Director  
National Association of Municipalities in the Republic of Bulgaria (NAMRB)  
(signature of the Statutes on 18 February 2005 in Sofia, Bulgaria)

## APPENDIX 4



GOVERNMENT OF REPUBLIC OF CROATIA

**SOUTH-EASTERN EUROPE REGIONAL MINISTERIAL CONFERENCE ON  
“EFFECTIVE DEMOCRATIC GOVERNANCE AT LOCAL AND REGIONAL LEVEL”**

**ZAGREB, 25-26 OCTOBER 2004**

### **FINAL DECLARATION**

1. The Conference on “Effective Democratic Governance at Local and Regional Level” has met in Zagreb, Croatia, on 25-26 October 2004 at the invitation of the Foreign Minister of Croatia, under the auspices of the Stability Pact for South-Eastern Europe and the Council of Europe.
2. The purpose of the Conference has been to review the current state of local government in the Stability Pact beneficiary countries, to promote the drafting of Work Programmes for Better Local Government aimed at fostering local democracy, decentralisation and capacity-building, and to encourage partnership between state authorities at the central and decentralised levels and the respective associations of local authorities.
3. At the close of the Conference, the Ministers or State Secretaries responsible for Local Government of Albania, Croatia, the Federation of Bosnia and Herzegovina (Bosnia and Herzegovina), Moldova, the Republic of Montenegro (Serbia and Montenegro), the Republic of Serbia (Serbia and Montenegro), Republika Srpska (Bosnia and Herzegovina), Romania, “the former Yugoslav Republic of Macedonia” and the representative of UNMIK/ Kosovo have signed a Memorandum of Understanding committing themselves to the implementation of their respective Work Programmes for Better Local Government.
4. Representatives of States and International Organisations participating in the Stability Pact process have attended the Conference in order to express support for the reforms of local government institutions in South-Eastern Europe, reaffirm their commitment to the democratic

development and further stabilisation of the region and take part in exchanges of experience and the launching of initiatives designed to sustain the reform and stabilisation process.

5. The Conference has enabled Ministers and other participants to enter into a dialogue with representatives of civil society, with the Association of Local Democracy Agencies (ALDA) and with associations of local authorities of South-Eastern European countries and their umbrella organisation, NALAS<sup>4</sup>, on their respective expectations and agendas for local government reform. The preparatory work and input of NALAS to the Conference has been highly appreciated.
6. At the close of the Conference, the participants:
  - (i) Reaffirm their belief that reinforcing democracy is a precondition for social, economic and environmental development in South-Eastern Europe;
  - (ii) Underline that the efforts to create reliable democratic institutions must not be confined to the national level, and that democratic principles must be applied right down to the grass-roots level, taking account of the conclusions of the conference "Strengthening Local Government and Democratic Participation in a Changing World", held in Oslo on 30 September – 1 October 2004;
  - (iii) Acknowledge the significant steps accomplished by all the Stability Pact beneficiary countries towards the establishment of a democratic system at local level, and the progress made towards endowing local authorities with adequate powers and resources;
  - (iv) Are conscious that local government reform is an on-going process for all countries, and that the sustainable development of effective local democratic institutions at local and regional level in South-Eastern Europe requires further efforts and renewed political commitment;
  - (v) Recall the importance of transfrontier co-operation between territorial communities or authorities as a means of promoting mutual understanding and sustainable development and fostering reconciliation and stability, support already existing regional cross-border networks and welcome the proposal to establish an Adriatic Euroregion;
  - (vi) Accordingly agree on the following criteria for local government reform:
    - a. The distribution of competences and resources between central, regional and local government, the relationship between the various tiers of government and the freedom of association of local authorities must conform to the principles and objectives of the European Charter of Local Self-Government, in particular providing local governments with substantial discretion in the management of local public services and an equitable distribution of the financial resources to support their effective delivery;
    - b. The development of strong institutions at national level, including representative associations of local and regional authorities, must be supported, so that they can better contribute to effective democratic local and regional government;
    - c. Dialogue and consultation between state, regional and local representatives must be institutionalised, so that the needs of local and regional government can be properly articulated and taken into account in the development of the policy, legislative and institutional framework;
    - d. The capacity of the field agencies of the State to work together and collaborate with local authorities with a view to stimulating local development must be enhanced, and State representatives at local and regional level must be given a clear facilitating role to this end;

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<sup>4</sup> The Declaration presented by NALAS is appended.

- e. The capacity of both local and regional authorities must be developed so as to enable them to provide responsive leadership, ensure effective provision of services, promote community involvement in local and regional policy- and decision-making and engage in cross-border co-operation;
- f. State and local authorities must engage civil society in actions aimed at developing local democracy, strengthening the cohesion and solidarity of local communities and creating a new administrative culture in the region;

(vii) and welcome

- a. the signing by the Ministers responsible for Local Government in South-Eastern Europe of a Memorandum of Understanding with commitments to finalise and implement Work Programmes for Better Local Government;
- b. the initiative of the associations of local authorities in the region to prepare complementary work plans designed to improve the capacity of local authorities to deliver effective democratic governance;
- c. the intention expressed by a number of countries - through their national agencies for international development - and International Organisations to support the implementation of the Work Programmes for Better Local Government;
- d. the readiness of the Secretary General of the Council of Europe to prepare regional initiatives that contribute to the effectiveness of the Work Programmes for Better Local Government;

(viii) Request the Government of Croatia to report on the Zagreb Conference and the follow-up measures taken by States and International Agencies to the 14<sup>th</sup> Conference of European Ministers responsible for Local and Regional Government (Budapest, 24-25 February 2005) with a view to making the reform of local government in South-Eastern Europe a centrepiece of democratic transformation in Europe;

(ix) Request the Stability Pact and the Council of Europe to further consider the idea of establishing regular review meetings with the participation of State, regional and local authorities;

(x) Note the intention of "the former Yugoslav Republic of Macedonia" to convene at Skopje in eighteen months another conference to review the measures taken at both national and regional levels in order to implement the Work Programmes for Better Local Government and the regional initiatives arising out of them;

(xi) Thank the Government of Croatia for the hospitality and excellent organisation of the Conference.





## **NALAS – NETWORK OF ASSOCIATIONS OF LOCAL AUTHORITIES OF SOUTH-EAST EUROPE**

**South-East Europe Regional Ministerial Conference on  
“Effective Democratic Governance at Local and Regional Level”  
(Zagreb, 25-26 October 2004)**

### **NALAS Declaration**

We,  
the Associations of Local Authorities from South-East Europe gathered in the Network of Associations of Local Authorities of South-East Europe, committing ourselves to a better daily life for all citizens, a more balanced development respectful of the unity of our respective countries, and convinced that strong local government is needed for that purpose, have the honor to draw Governments’ attention to the following issues regarding effective democratic governance at local level in South-East Europe (SEE):

#### **Vision and leadership**

There is a necessity for permanent dialogue between us and central governments, in order to gradually obtain a shared vision of what local government might be with the ultimate goal to promote strong local democracy.

This vision should develop into an overall and consistent strategy determining concrete actions and provisions in various fields (training, capacity building, resources, communications, partnerships, etc...).

The organisation of regular SEE Forums on local issues should be supported, with a view to developing a common understanding of local governance among central governments, political parties, local authorities, NGOs, media and other stakeholders.

NALAS proposes to receive from the governments gathered in Zagreb the mandate to explore the eventuality of writing a Guide Book to Local Democracy in South-East Europe.

#### **Local self-government**

There is a need to ensure a clear distribution of responsibilities between local, regional and national governments as well as an adequate assignment of resources.

National debates on the benefit of decentralised government should be stimulated; regular co-operation mechanisms between local and national stakeholders should be defined and organised.

We strongly encourage central governments to work hand in hand with Associations of Local Authorities and offer political support, financial incentives and technical assistance to their initiatives.

## **Legislation**

Legislation should be designed and implemented in close co-operation with the local government and their Associations in order to meet the standards contained in the European Charter of Local Self-Government. We call on all parties that have not yet signed and ratified the Charter to do so rapidly.

NALAS commits itself, under the framework of the Stability Pact for South-East Europe and of the Council of Europe, to collaborate with all central authorities involved to promote a set of regional standards of local services that can help local authorities drive up the quality of service delivery.

It is a high priority for NALAS to ensure coherent legislation regarding local self-government, to eliminate the existing inconsistencies and to clarify the competences of respective levels of government (from central to local), following the overall objective of reaching a higher degree and a better quality of decentralisation.

An improvement in decentralisation will be realised by expanding local authorities' competencies on all activities in which citizens have a direct interest and that can be efficiently dealt with at local level (principle of subsidiarity).

Local political systems, in particular local elections, should, as far as possible, not only allow citizens to elect their representatives, but also make the latter accountable to the former for their work in local parliament and government. Possibilities for local referendums, at the initiative of a group of citizens, should be expanded.

Legislation should be adequately designed to help municipalities run their community responsibly, cost-effectively, openly and in accordance with the will of the citizens. It will also have the goal to promote the participation of all citizens in local affairs including minorities or communities.

It is necessary to vest, whenever possible, the local authorities with exclusive tasks and to fix clear limits to mandatory tasks, all this being accompanied by adequate financing distinguishing clearly respective activities and financial sources for local, regional and central authorities.

Law should enhance the status of local elected representatives and define clearly what is expected from them.

## **Transfrontier co-operation**

Further to the existing cross border co-operation we believe that local democracy and transfrontier co-operation are strongly connected and therefore we encourage central and local governments to actively participate in relevant Programmes and we call on all parties that have not yet done so to sign and ratify the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities and its two Additional Protocols.

We welcome the initiative taken by the Congress and its President, to convene a meeting in Termoli on 8-9 November, with a view to creating a Euro Region of the Adriatic Sea. We also believe that such an initiative can also be taken in other geographical areas such as the Black Sea.

## **Resources**

It is important to pursue the objective of financial autonomy of local government through more fiscal decentralisation. It is thus a priority to accelerate local finance reform and fiscal decentralisation, so that municipalities can plan, implement and finance their activities on the basis of their own budget and financial resources.

Municipal ownership is obviously a big issue and it proves necessary to ensure that all properties needed for the delivery of local services are transferred to local authorities. It is essential to adapt the legislation on ownership to the standards of the European Charter of Local Self-Government.

It is the responsibility of the central government to reduce the imbalances between local governments and to improve financial equalisation.

### **Capacity**

NALAS should be backed by the International Community and donors to increase its capacity to be a qualified partner of the SEE national governments in the implementation of regional initiatives, responding to the needs of more than one country, in the field of local democratic governance.

Committing themselves to the development and implementation of their respective Work Programmes, the Associations of Local Authorities express their determination to increase their capacity to provide services to their members and to be efficient and reliable partners of their central government on local affairs, deserving both to be consulted and listened to.

National authorities should work hand in hand with independent associations of local governments, to contribute to an improvement in the quality of the services the Associations are providing to local authorities and citizens. This co-operation will benefit from adequate support, financial incentives and logistical assistance.

National authorities should co-operate with associations of local authorities in the development of a national strategy for the training of local civil servants and elected representatives, based on a careful and comprehensive evaluation of the needs in this field and incorporating extensive use of exchange of good practice as well as all possible forms of collaboration with all relevant stakeholders.

Central governments should ensure that sufficient resources are available for the training of local civil servants.

The associations of local authorities should not only be allowed to open and run their own training schools, but the certificates that these schools deliver should also be fully recognised by the national authorities.

Since it affects the quality of life of local people, local sustainable development should be considered as a national priority. In collaboration with the associations of local authorities, all possible measures and incentives should be examined to enhance the role of local authorities in local development and improve their relations with enterprises and potential investors.

NALAS commits itself to collaborating with all central authorities involved to promote a set of standards of local services that can help local authorities drive up the quality of service delivery.

### **Partnerships**

A comprehensive national decentralisation strategy should make all possible room for dynamic partnerships between all stakeholders (including local citizens/civil society), and be based on a clear definition of their respective roles.

Satisfying mechanisms of on-going dialogue should be developed between central government, local authorities and their associations in all matters dealing with local affairs and local reforms in accordance with article 4, paragraph 6 of the European Charter of Local Self Government.

It is up to local authorities to enhance citizens' participation, especially that of women and youth. The associations are fully committed to assisting them to perform that task. It is up to the central authorities to establish the adequate framework and mechanisms to favour and develop citizens' participation.

### **Transparency**

Transparency and accountability should be core objectives of local government reform and fiscal decentralisation.

National law should set standards for transparency, communication and accountability. This effort of transparency will also concern the allocation of funds to the local authorities by the central government. Such allocation should correspond to a limited number of criteria clearly defined by national legislation.

Since it is also often a priority to fight corruption and increase transparency and accountability at local level, we underline the necessity of ensuring a real implementation of the European Code of Conduct on the political integrity of local and regional elected representatives, adopted by the Congress of Local and Regional Authorities of the Council of Europe in 1999.

Transparency requires equal treatment of all local authorities regardless of their political affiliation, and excludes political or financial pressure exerted on them based on discretionary power.

**We invite the Ministers responsible for Local Self-Government, who signed the Memorandum of Understanding at the Zagreb Ministerial Conference in Zagreb on 26 October, to closely cooperate with the Associations of Local Authorities in controlling and evaluating the implementation of the Work Programmes for Better Local Government and to adopt a 10 year Programme for decentralising public powers in SE Europe. This Programme should be implemented by each country and monitored by annual conferences jointly promoted by the Ministers and NALAS.**

### **LIST OF THE PRESIDENTS OF THE ASSOCIATIONS**