

# CONGRESS OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

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## **Recommendation 96 (2001)<sup>1</sup> on local democracy in Cyprus**

The Congress, bearing in mind the proposal of the Chamber of Local Authorities,

1. Having regard to the Bureau's decision, following an agreement with the Committee of the Regions of the European Union, to prepare a report on the situation of local self-government in Cyprus, this country being a candidate state to the European Union;
2. Recalling its Resolution 31 (1996) on guiding principles for the action of the Congress when preparing reports on local and regional democracy in member states and applicant states;
3. Having regard to the report of the Institutional Committee of the Chamber of Local Authorities prepared by Mr Micallef (Malta);
4. Thanking the representatives of the Cypriot Government (Ministry of the Interior, Ministry of Finance and Ministry of Foreign Affairs) and Parliament (Committee on Domestic Affairs), the Attorney General and the Chief Negotiator with the European Union for the frank and constructive dialogue and the detailed information provided for the preparation of this report;
5. Thanking in particular the Union of Cyprus Municipalities and the Union of Cyprus Communities<sup>2</sup> for their very kind support in providing the necessary information and documentation and for the perfect organisation of the visits to Cyprus;
6. Welcoming the ratification by Cyprus of the European Charter of Local Self-Government on 16 May 1988, and bearing in mind nevertheless the reservations of Cyprus in respect of Article 7, paragraph 2 (financial compensation for local elected representatives);
7. Considering that Cyprus is a small country and that this imposes certain institutional constraints on the one hand, while on the other hand the national level of administration is close to the people;
8. Aware that the political situation in Cyprus is dominated by the question of the partition of the island consequent on the military events of 1974 – the present report deals with the situation of local democracy in the territory under the control of the internationally recognised Government of Cyprus;
9. Considering that the events of 1974 have resulted in very practical consequences for the country's government, both

central and local, taking into account the displacement of around 200 000 refugees, for whom it was necessary to provide shelter and employment, and who continue to create demands for additional infrastructural provision;

10. Taking into account that the possible future accession of Cyprus to the European Union will have direct consequences on local authorities' responsibilities and will require their involvement in the implementation of the republic's new obligations under the *acquis communautaire*;
11. Believes that the national authorities should consult more systematically the two representative associations of municipalities and of communities on the implementation of the European regulations in Cyprus;
12. Expresses the hope that the negotiations on the solution of the Cyprus question co-ordinated by the United Nations – at present suspended – could be resumed in a new political environment created by the future accession of Cyprus to the European Union and the candidature for the accession of Turkey to the EU;
13. Expresses its availability, in co-operation with the Venice Commission, to offer technical assistance in matters related to existing European experiences in federal states, in the event that the negotiation process gets underway;
14. Pays tribute to the Cypriot authorities for having substantially improved the legislative basis for local self-government in recent years by amending the Municipalities Law and by adopting a new law on communities in 1999 in order to implement the main principles of the European Charter of Local Self-Government in the country;
15. Expresses a general view that the amended law on local municipalities and the recent law on communities provide a substantial basis for the exercise of local self-government in the country, despite the fact that there are still some provisions which might raise some concern about their compatibility with the European Charter of Local Self-Government;
16. Bearing in mind that local government in Cyprus is regulated by two different regimes, one concerning the municipalities and the other the communities, expresses its views on the situation of the two separate categories of local authorities:
  - 16.1. As to the situation of the municipalities, taking into account the existence in Cyprus of thirty-three municipalities, of which twenty-four are situated in government-controlled Cyprus, and nine were displaced after the events of 1974:
    - a. considering that the local electoral system corresponds to the European standards, expresses nevertheless some concern at the fact that all public servants, educationists and employees of semi-state organisations are prevented from standing for municipal elections, and that this very broad restriction of the civic rights of such persons is difficult to justify;

*b.* considering that Section 53(1) of the Municipalities Law, which prescribes the approval of the Council of Ministers for the schemes of service for the posts of the municipal service, might raise questions in terms of compatibility with Articles 6 and 8 of the Charter and, as the practical implementation of this regulation has recently been simplified, recommends that such a regulation should be removed from the law and replaced by a system whereby the national government defines some general principles on municipal administration;

*c.* noting that the municipalities in Cyprus have quite a wide range of responsibilities, expresses nevertheless some concern about the fact that town-planning remains in principle a competence of the national level, delegated only to the four larger municipalities, Nicosia, Limassol, Paphos and Larnaka, and expresses the opinion that the Cypriot authorities should consider the possibility of giving local authorities their own competence on town planning, requesting them to establish the necessary intermunicipal co-operation between authorities for exercising this responsibility;

*d.* expresses the opinion that Cypriot authorities should also consider further devolution of responsibilities to municipalities such as school administration;

*e.* considers that Sections 65 and 66 of the Municipalities Law, according to which the municipality should seek an a priori agreement of the Council of Ministers for their annual budget, are not compatible with Article 8 of the European Charter of Local Self-Government recognising nevertheless that the practice of such a control does not seem to create major problems for the local authorities, despite their need to negotiate their budget with the Ministry of the Interior;

*f.* expresses the hope that the supervision of the municipal accounts by the Auditor General will be restricted to a control of legality, thus respecting Article 8 of the European Charter of Local Self-Government;

*g.* welcomes the decision taken recently by the Cypriot Government to increase the general grants to the municipalities, which are distributed according to proposals made by the Union of Cyprus Municipalities;

*h.* expresses some concern at the present practice of shared funding of urban development projects causing a centralising effect;

16.2. As to the situation of the communities, taking into account that 356 communities exist in the government-controlled territory, of which three are complexes of communities:

*a.* considering that the new law of 1999 on communities creates a situation comparable to that of the municipalities for this category of small local authorities, expresses nevertheless a certain number of concerns about some detailed provisions of this law;

*b.* is of the opinion that the status of local representatives of the communities should still be improved and in

particular that they should be entitled to financial allowances or compensation in respect of their duties;

*c.* asks the Cypriot authorities to consider the removal of the general provisions of Section 17(4) of the Communities Law according to which elections at this level could not be organised by the government “due to the prevailing circumstances and in the public interest”;

*d.* expresses some particular concern about a number of controls to which communities are submitted, in particular:

*i.* the procedure to be followed by the filling of vacant posts, as well as the general terms of service of the officers of the council and the exercise of any disciplinary power on them (Section 49(2) of the Communities Law);

*ii.* the approval of the community budget by the district officer (local representative of the government) (Section 66.d of the Communities Law);

*iii.* the power of the district officer on any acquisition of water rights;

*iv.* the approval of the district officer for charitable contributions;

*v.* the district officer’s approval of naming or renaming of streets;

*vi.* the fact that the most of the communities have no administration of their own, this function being carried out by the district officer, against funding;

*e.* recommends that some of the a priori approvals requested in the different areas listed under the preceding paragraph could be simplified or removed in order to improve the exercise of local self-government at community level;

*f.* stresses in particular that the district officer’s a priori approval of the budget of the communities, implying that he may determine the expediency of a number of expenses, raises concern with regard to Article 8 of the European Charter of Local Self-Government;

*g.* is of the opinion that the current specific capital grants that communities receive for their major development projects and infrastructure activities could be changed partially to a system of general grants, distributed between communities according to equalisation criteria;

17. Taking note that there is no explicit legal protection of local authorities by the constitution, believes that the ratification of the European Charter of Local Self-Government could provide legal protection to local self-government in Cyprus;

18. Considers generally that the existence in Cyprus of small municipalities and even smaller communities, as well as of conurbations, should inspire the Cypriot Government to develop mandatory schemes of co-operation between local authorities, in order to develop the capacity of local authorities to fulfil their expanding responsibilities;

19. Invites the Cypriot authorities, in consultation with the associations representing the municipalities and the communities, to examine the possibility of merging the two distinct laws on municipalities and communities into a general law on local self-government, in which both categories might be made subject to some common and some specific regulation;

20. Taking into account all the above considerations, expresses the view that the time is ripe for a general and early modernisation of the laws on local government in Cyprus and that the opportunity should be taken, as a part

of that process, to strike a new balance in the relationship between central and local government in the country.

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1. Debated and approved by the Chamber of Local Authorities on 30 May 2001 and adopted by the Standing Committee of the Congress on 31 May 2001 (see Doc. CPL (8) 3, draft recommendation presented by Mr I. Micallef, rapporteur).

2. Municipalities have a status equivalent to that of cities; communities have a rather rural character and do not have the status of municipalities..