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MUNICIPALITY
DEVELOPMENT**



**SUPPORT FOR ECONOMIC
INITIATIVES
PUBLIC UNION**

Research on the Condition of Municipalities in Azerbaijan after Merger

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CONTENT

1. Resume.....	4
2. Acronyms.....	5
3. Introduction.....	6
4. Problem Statement.....	8
5. Policy Alternatives.....	13
5.1 Provision of visual aids by associations for municipalities.....	13
5.2 Organization of educational and training activities by associations for the municipal servants and members.....	16
5.3 Provision of electronic services by associations for municipalities.....	19
6. Evaluation of alternatives.....	22
6.1 Evaluation methodology	22
6.2 Evaluation of alternatives in the light of the determined criteria.....	23
7. Conclusions and recommendations.....	27
8. Annexes.....	30
8.1 Annex 1. The survey conducted for the evaluation of the needs of municipalities.....	30
9. References.....	32

1. RESUME

In international practice main duties of municipal associations include representation of municipal interests before the government, and making contributions to the reinforcement and development of the local self-government. So research of activities of these associations in-depth and adoption of successful experience should be priority of each three municipal associations working in Azerbaijan.

According to authors of this paper municipal associations don't fulfill their responsibilities today. Results of conducted researches, surveys and interviews show that municipal associations have not built their work efficiently yet, and their activities consist of collecting membership fees and organizing a few gatherings only.

As a summary of the research 3 alternative mechanisms are proposed for enhancing efficiency of the services provided by the municipal associations:

- 1) Provision of visual aids by associations for the municipalities;**
- 2) Provision of trainings and educational courses by municipal associations for the municipal servants and members;**
- 3) Provision of electronic services by the municipal associations for the municipalities. Each alternative is analyzed and evaluated in the paper. This paper proposes gradual implementation of each alternative and makes related recommendations in this field.**

2. Acronyms

SEI	-	Public Union of Support for Economic Initiatives
NARM	-	The National Association of the Rural Municipalities
NGO	-	Non-governmental organizations
CoE	-	Council of Europe
MM	-	Mass Media
RNCM	-	Russian National Congress of Municipalities

3. Introduction

Municipal associations have an important place in the development and effective working of the local self-government. Municipal associations have quit broad sphere of action in international practice. Although there are various models and legal forms, the main purpose of municipal associations is the same everywhere. This purpose includes forming the common coordinated attitude of all municipal members concerning municipal work, representing interests of municipalities within and out of the country, sharing international experience, giving legal and technical aid to member municipalities for the local self-government development.

Three years have passed since the creation of municipal associations in Azerbaijan. Three associations were formed to represent interests of rural, town and urban municipalities in the fall of 2006, in Azerbaijan. The main objective of these associations is to contribute to reinforcement and development of local self-government in Azerbaijan. Although regulations state the rights of associations to provide different services for municipalities they don't realize them.

According to the regulations associations are entitled to provide municipalities with important information and educational activities, share advanced experience and build professional links with the municipalities abroad.

However, associations didn't demonstrate any considerable initiative on the field of local self-governance development and deepening of decentralization during passed three years. Results of conducted researches, surveys and interviews show that associations have not built their work efficiently yet, their work includes collecting of membership fees and organizing a few gatherings only.

National associations involving municipalities have to broaden the scope of their sphere of action, and fulfill their obligations and realize the rights for the development and effective work of local self-government in Azerbaijan.

During preparation of this paper forms of cooperation between associations and municipal bodies were learnt and their application possibilities in Azerbaijan were examined. Experience of the neighbor countries such as Russia and Turkey was researched by the authors of this paper, and experience of other countries, including Kyrgyzstan, Finland, Norway, Estonia, Poland and Czech was used as well.

During preparation of the paper the survey was conducted ammong 50 municipalities located in 12 districts of Azerbaijan. The purpose of the survey was to enlarge the scope of the services provided by associations for the municipalities and to evaluate the needs of municipalities for the purpose of enhancing quality of these services. Respondents surveyed were residents of municipalities located in Shamakhi (10%), Davachi (8%), Goychay (10%), Astara (4%), Shaki (6%), Aghdam (2%), Guba (12%), Barda (8%),

Hajigabul (10%), Lankaran (10%), Baku (16%) and Absheron (2%) districts. Rural, town and city residents make up 68%, 24% and 8% of them respectively.

The paper is mainly consisted of 4 sections. The first section called **“Problem Statement”** discusses inefficient relations between municipalities and municipal associations in Azerbaijan, shortcomings in the activities of associations, and compares them with the related experience in the international dimension. The second titled **“Policy Alternatives”** explains three alternative ways proposed by experts for enhancing the services provided by associations, implementation possibilities, advantages and disadvantages. In the section of **“Evaluation of alternatives”** each alternative is assessed by experts. For the purpose of evaluation specific criteria are determined and each alternative is evaluated in the light of the determined criteria. In the final stage most appropriate alternative is selected. The section called **“Conclusions and Recommendations”** summarizes the research and makes particular recommendations to the decision-makers.

The main purpose of this paper prepared by financial support of Oxfam International within the project of NGO Alliance for Development is to raise the quality and standards of the services provided by municipal associations for the municipalities. Authors believe that this policy paper will be considerable contribution to formation of work of associations in an efficient way, as well as to the development of municipal staff potential, and it will provide them with the important information in this field.

4. Problem Statement

Associations representing municipalities have been working since 2007, in Azerbaijan. As known, three associations were established to represent rural, town and city municipalities in the fall of 2006. Approximately 85 percent (2450 bodies) of municipalities are united in the National Association of Rural Municipalities (NARM), 9 percent (over 230 bodies) are united in the National Association of Town Municipalities, and rest of them (nearly 80 bodies) are united in the National Association of Urban Municipalities.

Legal grounds of activity of the associations are provided by the Law on the Status of Municipalities. According to article 10, municipalities are entitled to form associations to coordinate their activities, to use their rights and protect interests efficiently, and must get their associations registered according to law.

According associations regulations the main goal of the associations is to contribute to the reinforcement and development of the local-self governance in Azerbaijan by assisting for the solutions to the problems in accordance with the international and national legislation. According to regulations, associations may provide the municipalities with the several services, but they don't in a reality.

According to regulations, the services to be provided for the municipalities by associations can be classified as below:

- *Providing member municipalities with the necessary information;*
- *Arrangement of representation of municipalities in the international organizations;*
- *Organization of professional development courses for the municipal servants;*
- *Building professional links with the municipalities working abroad.*

Associations have not demonstrated any considerable initiative in the field of local self-governance development and deepening of decentralization since they have been established. Results of conducted researches, surveys and interviews show that associations have not built their work efficiently yet, their activities include collection of membership fees and organization of a few gatherings only.

74 percent of respondents consider activities of associations as inefficient according to the survey conducted among 50 municipalities by SEI for the purpose of evaluating work of NARM. 32 percent of respondents noted that during 3-year activities most notable work of NARM was arrangement of public hearings in the rural areas concerning the problems of municipalities; 14 percent of respondents emphasized making proposals regarding share of advanced experience; 8 percent of respondents underlined taking up initiatives in legislation.

According to survey 26 percent of municipalities remind NARM for the payment of membership fees to this institution. 90 percent of respondents claimed that they had never benefited from this institution. Only 10 percent of them stated that they benefited from this agency.

Civil society members (independent experts, MM, NGOs) and deputies also consider NARM's work as unsuccessful. Experts argue that the shortcomings in the NARM's activities are the same in the other two, Associations of Rural and Urban Municipalities.

Municipal associations don't execute their responsibilities stated in their regulations. The shortcomings below were discovered during monitoring the implementation of the obligations provided in regulations of the NARM before municipalities.

Associations don't have the strategic plans. Each institution should have the strategic plan for building its work efficiently. If there isn't such a plan, it means that institution works spontaneously, it lacks a clear vision about future activities and mechanisms for using resources it owns.

Associations lack the Internet. Web page is very essential for providing people with the information about organization's activities, informing association members with the important information on a regular basis, building links between members and association, and improving the communication methods. There is only one web page - <http://belediyye.rabita.az>, which belongs to three associations and contains very poor information.

Associations don't have periodical publications. Periodical publication is very important for dissemination of information and enlightenment, but associations still lack any periodical publication (journal, newspaper, and bulletins) up to date.

Associations don't participate in the policy-making process of the local self-government. One of the reasons for establishing associations is to represent the interests of municipalities in the local policy-making process in the local level. For this reason associations must have conceptual vision for the local self-governance development and must discuss it with the public bodies and people. Associations lack the conceptual vision for the local self-governance development, and their work is limited only by permitted actions regarding some issues.

Associations have limited initiatives on the improvement of legislation. One of the reasons for establishing associations is to support improvement of municipal legislation. This support must be shown by reviewing legislative acts remained in force, expertise drafts of normative acts and taking up initiatives on elaboration of legislative proposals. There isn't any official information about activities of the associations such as expertise legislative acts, preparation of legislative proposals and so on. Their activities were limited only by making proposals about some legislative acts.

Associations almost aren't officially represented in the working groups, committees and commissions established by the government. Associations must be represented in the officially formed working groups, committees and commissions during preparation of laws and decision drafts related to the interests of municipalities. This is required both by European Charter of Local Self-Government and Council of Europe Recommendation No. 171 (2005) on Consultations with Local Self-Government. Currently, associations are not represented by the permanent representatives in the Parliament Committee on Regional Issues. They are invited only during discussions on drafts.

Associations have limited level of cooperation with the international organizations. According to regulations, associations may benefit from the international practice and obtain financial and technical resources by cooperating with the international organizations. In the early years associations collaborated with the Congress of Local and Regional Authorities of the Council of Europe. Currently this cooperation is limited just by participation in the Congress meetings, but for now there isn't any information about such activities.

Associations don't take up initiatives on reinforcement of staff potential. Associations may take actions for staff potential reinforcement of their members. It includes training of staff, organizing professional development courses, supporting establish of professional development system, arranging trainings on various topics, learning advanced practice of foreign countries and so on. Associations don't take any action in this sphere.

According to the survey conducted by SEI, majority of respondents (78%) are interested in the services, such as trainings, seminars and courses, and also in the publications (periodical publications, books, brochures, and etc.) provided by associations. **(ANNEX 1)** Its main reason is lack of Internet in the majority of municipalities. 90 percent of municipalities in the villages and settlements can't benefit from the Internet as they lack it. In general, more than half of respondents surveyed emphasized that there must be established advisory councils in order to build effective cooperation between associations and municipalities.

Municipal associations have an important place in the development and effective working of the local self-governance institute. Although there are various models and legal forms, the main mission of municipality associations is the same everywhere. This mission includes forming the common coordinated attitude of all municipal members concerning municipal work, representing municipal interests within an out of the country, sharing of international experience, giving legal and technical aid to member municipalities for development of local self-governance.

Russian National Congress of Municipalities involving Municipal Council and 92% of country municipalities provides municipalities with the important information (international practice, measures taken in the local self-governance field by the

government, the best public initiatives, and etc.) in Russia. For this reason Congress issues various periodical - weekly, monthly, quarterly and yearly publications and enters them into its official website. Moreover, it provides municipalities with necessary legislative acts and participates in staff training.

In Finland, Association of Finish Local and Regional Authorities¹ involving 348 municipalities is engaged in lobbying activities for protection of the interests of municipalities, and providing them with the research and other relevant specialists. This agency makes predictions of the changes in the local self-government and prepares necessary analytical materials.

In Estonia municipal associations regularly evaluates legislative grounds of the local self-governance based on the consultations with the public bodies. Their representatives get involved in the working groups of the government. Municipal associations have direct access to electronic preparation system of legislative acts (e-Law) as an active user².

Association of Municipalities of the Kyrgyz Republic³ works for the growth of the local self-government. It supports local democracy and represents the interests of the cities in the national level. Association workers participate in the preparation process of the drafts of normative legal acts within the working groups formed jointly with public agencies. Association holds online conferences and media campaigns together with the member municipalities and issue publications.

The functions of the Union of Towns and⁴ Municipalities of the Czech Republic consist of supporting the development of the local democracy, building partnership relations with the central and regional authoritative bodies, defending rights and interests of the authoritative bodies, supporting staff training in the local level, and providing municipalities with the consulting services (on legislation, partnership projects, and etc.).

In Norway, the Norwegian Association of Local and Regional Authorities⁵ regularly informs its members on the ongoing processes related to the local self-governance development, supports the informational exchange between the members, defends the interests of its members in the parliament and other organizations. The network created by the association provides the members with the relevant information, legal and statistical materials.

In Turkey, the Union of Municipalities of the Marmara Region⁶ is considered the first and biggest regional union of the country. The union supports the informational exchange and partnership relations between the member municipalities. Furthermore, it provides the

¹ The official website of Association of Finish Local and Regional Authorities - www.kunnat.net

² The official website of Association of Municipalities in Estonia - <http://www.estinst.ee>

³ The official website of Association of Municipalities of the Kyrgyz Republic - www.citykr.kg

⁴ The official website of Union of Towns and Municipalities of the Czech Republic - <http://www.smocr.cz>

⁵ The official website of The Norwegian Association of Local and Regional Authorities - www.ks.no

⁶ The official website of Union of Municipalities of the Marmara Region - www.marmara.gov.tr

municipal servants and representatives with the additional services such as trainings seminars. The Local Governance Academy was established by the Union in 2005. Academy delivers high quality trainings to the municipal management in order to foster the self-government development and spread the modern concept of local self-government. The trainings in Academy are given by university lecturers, researchers and experts. Academy cooperates with similar educational institutions abroad

The national associations involving member municipalities have to enhance their working area and fulfill their obligations required by the regulations for the development of local self-government and for the effective work of municipalities.

5. POLICY ALTERNATIVES

As a result of conducted research, surveys, and expert discussions within the preparation of this paper three solution alternatives proposed for the purpose of enhancing quality of the services by municipal associations for the members. There are three alternatives:

- 1) Providing municipalities with the visual aids by the associations;
- 2) Organizing teaching and training activities for the municipal servants and members by the associations;
- 3) Providing municipalities with the electronic services by the associations.

Each alternative is analyzed below.

5.1 Provision of visual aids by the associations for municipalities

In order to work efficiently municipal associations may exercise initiatives on enlightenment of municipalities, sharing local and international practice, informing the society on the municipal problems, defending municipalities' rights and so on. Municipal associations use various methods for implementation of these initiatives. One of the most prevalent methods is providing municipalities with the various publications (periodical publications, references, bulletins, and etc).

According to the regulations⁷ of municipal associations (village, town and city) in Azerbaijan, associations may form mass media, publish books and booklets in order to fulfill their obligations. The results of conducted researches and monitoring⁸ show that associations didn't print any publication during their 3-year activities, except the book titled "Municipality: new form and new essence" published together by 3 associations in 2008. Annotation of the book states that this book is about advanced work experience of municipalities and their successful projects implemented for the solution to the social problems in local communities.

According to results of the surveys conducted between 50 municipalities, 20% of respondents expect to be supplied with visual aids (periodical publications, guides, books, and etc.) by the associations. Other 30 percent prefer to real trainings beside the visual aids. (ANNEX 1)

Analyzing book fund of municipalities shows that it is mainly consist of orders, recommendations, instructions, guides, books and booklets prepared by the civil society members.

⁷ Regulations of the Associations of Rural, Town and Urban Municipalities

⁸ Research Report on the Evaluation of the Activities of Rural Municipalities Association in Azerbaijan, SEI, Baku, 2010. www.sei.az

Providing the members with the necessary visual aids (periodical publications, books, guides and so on) by the municipal associations is fairly widespread in the international practice. The visual aids delivered to the municipalities by the municipal associations can be categorized as below:

1. Periodical publications of the associations (weekly, monthly, quarterly, yearly, and etc.);
2. Final reports of the associations (quarterly, yearly, and etc.);
3. The books presenting international and advanced practice in municipal management (guide, manual, and etc.);
4. Interpretation of legislative acts on local self-government (financial, tax law, and etc);
5. Recommendations;
6. Advertising editions (booklets, calendars, and etc.);

Russian National Congress of Municipalities⁹ in Russia is one of the most active municipal associations among CIS countries. Congress continuously provides its members with the visual aids, and prints various periodical publications. Congress publishes monthly journal titled “Russian Municipalities”. This journal, Congress’ official body publishes the opinions of the administrative bodies of the Congress and public bodies toward regulation and development of the local self-government. The journal presents various heads such as “state and municipality”, “the daily chronicle of municipalities”, “international experience”, “navigator for municipalities”, “bookshelf of the municipality” and so on.

Moreover, Congress has been publishing yearly journal namely “Westnik” since 2007. The journal, nearly consisted of 250 pages presents information on the Congress’ yearly activities, also on the development trends in the cooperation relations between municipalities of the country. For example, the last publication, “Municipal Management” was prepared nearly a year ago and was presented in the Public Administration Academy, in St. Petersburg.

In Finland, the work of Association of Finnish Local and Regional Authorities¹⁰ is mainly focused on three directions: good basic services, living democracy and sustainable environment. By conducting regular researches Association makes predictions of the changes in the municipal management and prepares important analytical materials.

Many books were published through Association of Municipalities of the Kyrgyz Republic¹¹ about international practice in the municipal management development, interpretation of municipal legislation, and municipal management. For example, 9 books have been published since 2001 by way of the Association.

⁹ The official website of Russian National Congress of Municipalities - <http://www.rncm.ru>

¹⁰ The official website of Association of Finnish Local and Regional Authorities - <http://www.kunnat.net>

¹¹ The official website of Association of Municipalities of the Kyrgyz Republic - <http://www.citykr.kg>

The Foundation in Support of Local Democracy¹² (FSLD) established in 1989 is the biggest organization supporting local government development in Poland. FSLD's Local Government Publishing House has issued over 200 publications presenting issues related to the local government legislation and municipal management. The Foundation's publications are usually addressed to local government laws, local government policy, strategic planning, economical development, promoting citizen partnership and so on.

The Norwegian Association of Local and Regional Authorities¹³ involving municipalities, regions and municipal enterprises, provides the members with the informational, legal and statistical materials.

As it seems, serving to member municipalities with the visual aids by the associations is widespread in the international practice. However the services provided by the associations are not limited with visual aids in practice. Actual trainings and virtual services prevailing in last years also must be added into the list of these services.

The gist of this alternative is that municipal associations (rural, town, city) serve for the effective work of municipalities by providing them with the necessary visual aids (periodical publications, books, guide, and etc.).

In order to raise access of the members to the statistical, analytical and legal information associations may serve them with the visual aids below:

- 1. Periodical publications:** Associations may issue monthly, quarterly and yearly publications such as journals or newspapers. Journal (newspaper) may be addressed to the various problems in the local government, best practices, activities of associations and municipalities, cooperation issues with the public bodies, and so on.
- 2. Publication of yearly (quarterly) report:** Reports have to present information about yearly (quarterly) financial reports, activities, projects implemented and their results, and success of associations achieved during report period.
- 3. Publication of guides for municipalities:** It includes informative materials addressed to the various stages of municipal management and guides for municipal members (municipal heads, commission chairmen, and etc.) and municipal servants (accountants, economists, lawyers, and etc.).
- 4. Publications addressed to the local self-government:** The publications dedicated to the theoretical grounds of local self-government and international practice in this field may be designed as books, guides, manuals and textbooks. Experts of public bodies, municipal

¹² The Foundation in Support of Local Democracy website- www.frdl.org.pl

¹³ The Norwegian Association of Local and Regional Authorities website- <http://www.ks.no>

researchers, scholars and civil society experts may be involved in the preparation of these publications.

Publication of analytical bulletins: These bulletins may be issued weekly or monthly. Bulletins may contain interpretations of municipal laws and other legislative acts and amendments to the tax law. Bulletins may also include statistical information, expert opinions, press articles addressed to municipal problems, explanation of the public bodies, international practices, and etc.

Recommendations: Associations may serve municipalities with the books, booklets and instructions presenting the most successful and tested practices on the various stages of local self-government.

These publications may be paid or free (for subscribers). Income from the sale of publications may be useful resource for raising associations' financial situation.

There are both advantages and disadvantages to this alternative.

Advantages:

- It is useful for municipalities as they are provided with the important information.
- Depending on the financial capacities all municipalities in Azerbaijan have access to the publications.
- The independent experts and students getting municipal studies have access to these publications.

Disadvantages:

- Printing publications and delivering them to the municipalities, especially to the remote areas cost large amount of money.
- Deliver of publications to the municipalities, especially to the remote areas takes a long time.
- It is impossible immediately to provide municipalities with publications presenting the amendments to the laws.

5.2 Organization of teaching and training activities by the associations for municipal servants and members

Organizing real trainings and educational courses for deepening knowledge and improving skills of municipal members, and for developing professionalism of municipal staff is one of the prevalent methods. This type of trainings is given by the experts, scholars, specialists and other experienced people based on the specific programs.

In Azerbaijan some measures are taken in order to improve staff potential in the local government field. The institutions such as The Academy of Public Administration under the President of the Republic of Azerbaijan and Legal Education Centre of the Ministry of Justice organize short-term courses for municipal workers every year. However, these activities are not sufficient for the improvement of municipal management.

Municipal associations have not organized any training for the municipal workers during 3-year activities. Partnership of associations with the municipalities was in the form of meetings hold with municipalities and people in the framework of “Local Democracy Week”. However, organizing trainings is vital for upgrading qualification of municipal workers and learning advanced practices. Municipal associations may offer relevant services in this sphere.

Organizing trainings and seminars for municipal members and servants, and establishing educational institutions for the professional development of the municipal by associations is fairly widespread practice in foreign countries.

One of the functions of the Russian National Congress of Municipalities is training of municipal personnel. According to the contract signed in 2006 between the Congress and the Economic Institute both agencies cooperates for creation of training and professional development system of municipal personnel. Various competitions are hold based on the initiatives of the Congress. For example, in order to improve the publicity of the municipalities the Public Chamber of the Russian Federation and Budgetary Committee of the Federation Council jointly organize competitions on the subject of “Publicity of the Local Budgets during Crisis Period”. Moreover, the competition on the nomination of “The Best Municipal Council of Russia” has been holding for 4 years based on the Congress’ initiative.

Association of the Municipalities of the Kyrgyz Republic organizes seminars for the finance specialists of the different districts in order to increase transparency of the budgetary processes. Furthermore, it held seminars on the registration and record of the municipal property, and efficient use of municipal lands and facilities. For instance, the Association together with the National Agency on the Local Self-Government Issues organized seminars concerning amendments to the Tax Law in a whole Republic.

The Local Administration Aid Fund which Union of Towns and Municipalities of the Czech Republic¹⁴ is one of the co-organizers, has 12 regional centers. Through these centers local governments are provided with the consulting and training services.

¹⁴ The official website of Union of Towns and Municipalities of the Czech Republic - www.smocr.cz

Training activities of the Union of the Municipalities of the Marmara Region¹⁵ in Turkey are based on two models functioning in parallel. These are regular training seminars on one side and the Local Governance Academy established in 2005 on the other. The Academy aims to deliver high quality trainings to the top of the municipal management: mayors and deputy mayors, municipal councilors, municipal top managers. The trainings are given by university lecturers, researchers and local government experts. In order to learn international practice and foster partnership relations between municipalities the Local Governance Academy launches international programs.

In Azerbaijan municipal specialists are produced by the Academy of Public Administration under President of the Republic of Azerbaijan, State Economic University, Baku Business University, Caucasus University, Azerbaijan International University, Nakchivan State University and Ganja State University. However, these educational programs give only basic knowledge on the administration issues and the students can't gain in-depth knowledge in their professional field¹⁶.

As in international practice, municipal associations can make considerable contributions to reinforcing staff potential of the local self-government if it increases the initiatives on this sphere. According to regulations of the associations they may hold conferences, round tables, trainings, seminars, courses and other meetings aiming at the solution to the economical, social and ecological problems of the cities, towns and the villages.

According to the survey within the project conducted in 50 municipalities around different regions of Azerbaijan, 26% of respondents (30) expect associations to serve them by organizing real trainings; 30% of respondents (15) expect to be supplied with publication materials, and also expect actual trainings. (ANNEX 1)

The gist of the alternative is that associations support the municipal members and servants for upgrading their knowledge and skills in the municipal management by organizing trainings, seminars and educational courses.

The functions of associations may be based on the several modules:

Establish of Training Resource Centers: In the first phase, training resource centers have to be established in the central office of the associations. Trainings for the municipal members and servants on the related subjects such as finance, taxation, budget, law, management must be organized through the center. These trainings may be given by the municipal specialists, researchers, scholars, representatives of the public bodies and foreign experts. In the next phase, associations have to form regional training resource centers. In accordance with the number of economic regions 11 regional training resource centers may be formed in Azerbaijan.

¹⁵ Union of the Municipalities of the Marmara Region - : www.marmara.gov.tr

¹⁶ Opinion on the current situation of the local self-government in Azerbaijan. NGO Alliance for Municipality Development, Baku 2009. www.localdemocracy.az

Training resource centers must be supplied with the Internet resources and the national and foreign scientific literature and legislative acts on the municipal management.

Arrangement of professional development courses: Associations may launch professional development courses under the related public bodies. These courses may be designed for the municipal members and servants. Especially mayors, deputy mayors and commission chairmen must be informed about international practice and trained on municipal management. These courses may be offered virtually in the future.

Arrangement of experience exchange visits. In order to share successful international practice in Azerbaijan associations may send the municipal members and servants for the internship abroad. This method prevailing in foreign countries, especially in post-Soviet countries is very useful for elevating professionalism of municipal representatives. This type of visits should be bilateral. Municipal representatives from the other countries may also come to Azerbaijan for the internship.

There are both advantages and disadvantages to this alternative:

Advantages:

- It enables municipal members to improve their skills and knowledge;
- It allows municipal workers to reinforce their management skills;
- It allows share international advanced practice;
- It stimulates the informational exchange between municipalities.

Disadvantages:

- Since creation of training resource centers requires large amount of money associations may not capable of affording those expenses.
- The municipal representatives settled in remote areas may encounter difficulties while going to the centers.

5.3 Provision of electronic services by the associations for municipalities

The scope of electronic services is enlarging as the information technologies improve. Currently virtual publications and trainings remove the classical publication and trainings. The number of Internet users is increasing extremely. Municipal associations widely use the internet services in the foreign countries.

Russian National Congress of Municipalities¹⁷ prepares weekly electronic publication titled “Municipal Information Bulletin” and places it on the website. Bulletins are addressed to the challenges in the municipal management, the measures issued by the

¹⁷ The official website of Russian National Congress of Municipalities - <http://www.rncm.ru>

government, activities of the associations and municipalities in the regions, and the best public initiatives on this field.

Congress has been issuing yearly electronic journal, “Municipal news” for 2 years.

In 2008, the first issue of the journal was dedicated to the experience of municipal associations in Russia and abroad. Last year the latest issue of the journal was addressed to the trends in the local self-government reforms began since 2004. There are two other useful links for the municipalities on the website of the Congress. One of them is called “Review of Legislation” which presents resumes of all the legislative acts. Another link is “The National Agency on the Municipal Information”. This link widely analyzes the social-economic situation of the municipalities during the crisis period and gives important information. The National Agency added 5 electronic information bulletins into the website last year.

In Estonia¹⁸ municipal associations consistently review the legislation in consultations with public bodies and their representatives involved in the working groups of the government. As an active user municipal associations have direct access to electronic preparation system of the legislative acts (e-Law). Municipal associations involve their members in the implementation of the grant programs.

Association of the Municipalities of the Kyrgyz Republic¹⁹ supports municipalities in the preparation of normative legal acts on the effective management of municipal property, and housing and communal facilities; provides them with the consulting services. This agency issue electronic journal titled “Municipal News” and enters it into the website in full version. The website contains “online conference” link designed for communicating with the all municipalities. Each municipality has its own code for contacting directly with the Association. Municipality uses the “online conference” button to get answer for any question. Then the panel is shown on the screen requiring municipality’s name, electronic address, phone number, private code and the name of the person addressing the question. After entering this information question is inserted. Association experts reply to the questions within the short time.

The gist of the alternative is that municipal associations offer virtual services for the effective work of municipalities. Associations insert information useful for raising skills and knowledge of municipal workers to meet their interests, and hold virtual trainings and so on.

Municipal associations may offer virtual services below:

Creation of virtual database: Each association should create its own official website and add there useful information for municipalities. The website must contain information on municipal legislation, researches, related national and foreign literature sources.

¹⁸ The official website of Association of Municipalities in Estonia - www.einst.ee

¹⁹ The official website of Association of the Municipaltis of the Kyrgyz Republic - www.citykr.kg

Preparation of electronic publications: Associations have to issue monthly, quarterly and yearly electronic journals and put them on the website. The journal should reflect information on the activities (monthly, quarterly and yearly) of the association, advanced practices, interpretation of legislation, international practice, articles and researches useful for the municipalities. Bulletins should contain the information about the changes in the local self-government system of the country, statistical information and public hearings.

Organization of virtual trainings: Association has to organize virtual seminars and trainings for the representatives of the member municipalities. For this purpose training participants have to connect to the network and take lessons via the web camera.

Provision of virtual consulting services: Representatives of the member municipalities have to apply to association to get assistance for solving difficulties encountered. Association experts have to give advices on the requested issues via the Internet.

Access to some information may be restricted on the website. For this purpose each member municipality must be given a particular code. Using their code municipalities may have access to information restricted on the website. According to internal regulations of associations some publications such as journals and information bulletins may be paid.

There are both advantages and disadvantages to this alternative:

Advantages:

- Costs of entering information and preparing electronic publications are fairly low;
- It allows enter the information on the amendments to the Tax Law and report it to municipalities effectively.

Disadvantages:

- Most municipalities can't use electronic services as they lack the Internet access;
- Lack of computers of the municipalities lessens the effect of the virtual services offered;

6. Evaluation of alternatives

Authors of this paper jointly with other experts determined specific criteria for the evaluation of the alternatives and selection of the best of them. This chapter contains evaluations of the alternatives based on the determined criteria.

Evaluation methodology: Evaluation methodology includes evaluations by the experts on the determined criteria. During evaluation of the alternatives those criteria are selected which influence the capabilities of municipalities to increase their skills and knowledge, and to get the necessary information. The purpose of selecting these criteria is reinforcing the information and consulting services provided by the associations for the members, to measure the level of provision of municipalities with the necessary information and the trends in improvement of the relevant skills. The expert group evaluated each alternative based on the determined criteria based within the point system. The preferred alternative was selected after all points accumulated.

The criteria determined for the evaluation of the alternatives are below:

- The level of access of municipalities to the services provided by the associations;
- Increase in provision level of municipalities with the information;
- Upgrading level of municipal workers' knowledge and skills;
- Efficiency level of resource use spent for delivering services;
- Speed level of data and information delivery.

Explanation of Criteria:

The level of access to services of associations: It indicates the technical and financial capabilities of municipalities allowing them to use the services provided by the associations.

Increase in provision level of municipalities with the information: It indicates the level of provision of municipalities with the information by the associations.

Upgrading level of knowledge and skills of municipal workers: It indicates the level of efficiency of the trainings arranged for improving professionalism of municipal members and servants.

Efficiency level of resource use spent for delivering services: It indicates the amount of resources spent by associations for providing municipalities with the services.

Speed level of data and information delivery: It indicates the speed level of data and information delivery to municipalities.

Explanation of evaluation: Three levels including low, fair and high are determined for the evaluation of alternatives. Low level is evaluated with 1 point, fair with 2 and high with 3 points. Evaluation is based on comparative analysis and hypothesis. Since obtaining necessary statistical information was impossible it was difficult to define the exact borders of variations. So the levels are scored by experts based on the hypothesis and comparative analysis of the alternatives.

Evaluation of alternatives in the light of determined criteria is presented in the tables 1-4. (Tables 1-4)

Evaluation of alternatives in the light of determined criteria

Alternative 1: Visual aids provided for municipalities by the associations.

Table 1

Criteria	Level			Point
	Low	Fair	High	
	1	2	3	
The level of access of municipalities to services of associations			3	3
Increase in provision level of municipalities with the information			3	3
Upgrading level of knowledge and skills of municipal workers		2		2
Efficiency level of resource use spent for delivering services		2		2
Speed level of data and information delivery	1			1
Total points				11

Alternative 2: Trainings and educational courses provided for municipal members and servants by the associations

Table 2

Criteria	Level			Point
	Low	Fair	high	
	1	2	3	
The level of access of municipalities to services of associations		2		2
Increase in provision level of municipalities with the information		2		2
Upgrading level of knowledge and skills of municipal			3	3

workers				
Efficiency level of resource use spent for delivering services		2		2
Speed level of data and information delivery	1			1
Total points				10

Alternative 3: Electronic services provided by the associations for municipalities

Table 3

Criteria	Level			Point
	low	Fair	High	
	1	2	3	
The level of access of municipalities to services of associations	1			1
Increase in provision level of municipalities with the information			3	3
Upgrading level of knowledge and skills of municipal workers		2		2
Efficiency level of resource use spent for delivering services			3	3
Speed level of data and information delivery			3	3
Total points				12

Each alternative is evaluated in the light of determined criteria and the results are summarized in the Table 4.

Summary evaluation of alternatives in the light of determined criteria

Table 4

Criteria	Alternatives		
	1st alternative	2nd alternative	3rd alternative
1. The level of access of municipalities to services of associations	3	2	1
2. Increase in provision level of municipalities with the information	3	2	3
3. Increase level of provision of municipalities with the information	2	3	2
4. Efficiency level of resource use spent for delivering services	2	2	3
5. Speed level of data and information delivery	1	1	3

Total points	11	10	12

The alternatives are evaluated based on each criterion and all points are accumulated in the summary. In the summary evaluation (Tables 1-4) 3rd alternative was selected as the most advantageous alternative. In comparison with the other alternatives 3rd alternative got the highest score (12 points). 1st and 2nd alternatives were scored by experts with 10 and 11 points respectively.

Below shown is the evaluation of efficiency of alternatives based on the multipurpose analysis. In this analysis objectives of the alternatives and the factors affect these objectives are valuated.

Predicting the effect of alternative policies aimed at reinforcement of municipalities in Azerbaijan

Table 5

Objective	Target category	Alternatives		
		1st alternative	2nd alternative	3-rd alternative
1. Provision of municipalities with necessary information	1.1. Increase of access of municipalities to necessary visual aids	happening	happening	not happening
	1.2. Increase of access of municipalities to necessary virtual data	not happening	Marginally happening	happening
	1.3. The amount of financial resources required for obtaining data	less required	less required	least required
	1.3. The capacity of technical resources required for obtaining data	technical resource not required	technical resource not required	technical resource required
2. Upgrading skills and knowledge of municipal staff	2.1. Upgrading knowledge and skills of municipal members	marginally happening	happening	happening
	2.2. Upgrading knowledge and skills of municipal servants	marginally happening	happening	happening
	2.3. Municipal staff gained experience abroad	Fair	High	Fair
	2.4. Currant situation of the resources required for developing professionalism of the staff	technical resources are not required, material	technical resources are not required, material	technical resources are required, Material

		resources are required	resources are required	resources are less required
3. Sharing best practices	3.1. Access of municipalities to the best national practices	increasing	increasing	rapidly increasing
	3.2. Access of municipalities to the best international practices	increasing	increasing	rapidly increasing
4. Raising the level of cooperation between municipalities and associations	4.1. Enhancing the capacity of the associations in provision of municipalities with the necessary information	happening	happening	happening
	4.2. Enhancing the capacity of municipalities in the professional development of municipal staff	Happening	happening	happening
	4.3. Level of performance of duties and obligations of the associations	increasing	increasing	Increasing

The advantages to alternatives defined in the multipurpose analyze were the same as in expert evaluation. Each evaluation selected the 3rd alternative – *providing electronic services for the municipalities by associations* which gained slightly more points than others. This option is preferable to the other two due to several important criteria. These criteria are efficient deliver of the services to the municipalities and cheapness of these services.

For example, publication printing (journal, newspaper, bulletin, book, and etc.) is expensive and their deliver also takes a long time. It is impossible deliver publications containing amendments to the national legislation, responses to enquiries, data, and announcements to the municipalities efficiently. However, there are more advantages to the virtual services. The website of the associations is continuously contained with the information on the amendments to the laws, periodical publications and other data which municipalities are interested. Getting this information is not expensive.

Electronic services scored least in the evaluation based on the criterion of *level of access of municipalities to the services provided by associations*. This criterion is the most important one out 5 criteria determined by the experts. As the capabilities of municipalities don't allow them to use the services of associations the need for those services falls to a minimum. Providing electronic services for municipalities by the associations doesn't seem realistic for now since 90% of municipalities lack access to Internet or absolutely don't have computers. However, realizing this alternative is possible to some degree. Creation of the

official websites of associations containing large amount of information is necessary at least.

7. CONCLUSIONS AND RECOMMENDATIONS

In international practice main duties of municipal associations include representing interests of municipal bodies before the government, and contributing to the development and reinforcement of local self-government. So to research activities of these associations and to learn best of them must be priority of each municipal association in Azerbaijan.

According to authors of this paper municipality associations don't fulfill their obligations today. Results of conducted researches, surveys and interviews show that municipal associations have not build their work efficiently yet, their activities consist of collecting membership fees and organizing a few gatherings only.

Below shown the shortcomings in the services of municipal associations provided for municipalities according to regulations:

- Associations lack strategic plans;
- Associations lack internet resources;
- Associations lack periodical publications;
- Associations don't participate in the policy-making process of local self-government;
- Associations have limited initiatives on improvement of legislation;
- Associations cooperation with the international organization is limited;
- Associations almost don't take up initiatives in the reinforcement of municipal staff.

Although expert evaluation recommends providing electronic services, lack of access in 90% of municipalities both to Internet and to computers at all reduces the possibility of this alternative.

For this reason authors of this paper propose the gradual implementation of these alternatives aimed at enhancing quality of the services provided for municipalities.

The first phase includes provision of member municipalities with the necessary visual aids. These visual aids may be grouped as below:

1. Periodical publications. It includes monthly, quarterly and yearly publications issued by the associations. These publications may be in the form of journal or newspaper.

2. Reports. Reports have to present information on yearly (quarterly) financial reports, activities, implemented projects and their results, and success of associations achieved during report period.

3. Guides for municipalities. It includes informative materials addressed to the various stages of municipal management and guides for the municipal servants and members.

4. Publications dedicated to the local self-government. The publications dedicated to theoretical grounds of the local self-government and international practice in this field may be designed as books, guides, manuals and textbooks.

5. Publication of analytical bulletins. The bulletins may be issued weekly or monthly. Bulletins may contain interpretations of municipal laws and other legislative acts, and amendments to the tax law which may be useful especially for lawyers and accountants.

6. Recommendations. Associations may provide municipalities with the books, booklets and instructions presenting the most successful and tested practices on the various stages of municipal management.

In the second phase, associations should organize trainings and educational courses for upgrading knowledge and skills of municipal servants and members.

1. Establish of central and regional Training Resource Centers. Trainings for the municipal members and servants on the related subjects such as finance, taxation, budget, law, management should be organized through the center. Seminars, round tables, public hearings, forums and press conferences may be organized through the center.

2. Arrangement of professional development courses. Jointly with related public bodies associations may launch professional development courses under the educational institutions.

3. Arrangement of experience exchange visits. In order to share successful international practice in Azerbaijan associations may send the municipal members and servants for the internship abroad.

In the third phase, associations have to organize trainings and educational courses for upgrading knowledge and skills of municipal servants and members.

Associations may build their work in the directions below:

Creation of virtual databases: Each association has to create its own official website and insert there useful information for municipalities. The website should contain information on municipal legislation, researches, and related national and foreign literature sources.

Production of electronic publications: Associations have to issue monthly, quarterly and yearly electronic journals and insert them into the website. The journal includes information on the activities (monthly, quarterly and yearly) of the association, advanced practices, interpretation of legislation, international practice, articles and researches useful

for the municipalities. Bulletins reflect the information about the changes in the local self-government system of the country, statistical information and public hearings.

Organization of virtual trainings: Association should organize virtual seminars and trainings for the representatives of the member municipalities. For this purpose training participants enter into the network and take lessons via the web camera.

Provision of virtual consulting services: Representatives of the member municipalities apply to the Association for the purpose of the solving problems encountered. Association experts should give advices on the requested issues via the Internet.

Access to some information may be restricted on the website. For this purpose each member municipality must be given a particular code. Using their code municipalities may have access to the information restricted on the website. According to the internal regulations of the associations some publications including journals and information bulletins may be paid.

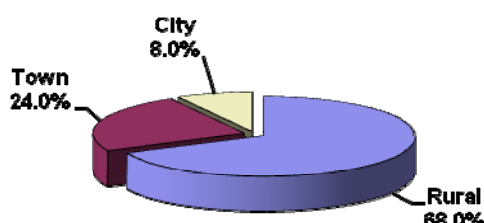
8. ANNEXES

SURVEY

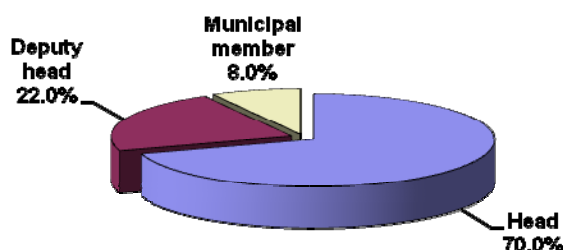
Annex 1

The objective of the survey is to evaluate the needs of municipalities in order to enhance the quality and to broaden the scope of the services provided by the municipal associations for the member municipalities

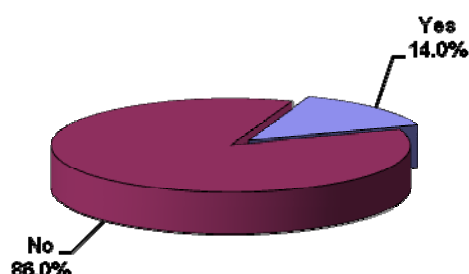
The survey was conducted among 50 municipalities in 12 districts of Azerbaijan. Respondents surveyed were from Shamakhi (10%), Davachi (8%), Goychay (10%), Astara (4%), Shaki (6%), Aghdam (2%), Guba (12%), Barda (8%), Hajigabul (10%), Lankaran (10%), Baku (16%) and Absheron (2%) districts. 68 percent (34) of respondents were the members of rural municipalities, 24 percent (12) were town, and 8 percent (4) were the members of city municipalities.



Municipal mayors, deputy mayors and municipal members were also involved in the survey. 75 percent of respondents (35) were the municipal mayors, 22 percent were deputy mayors (11), and 8 percent were municipal members (11).



Respondents were asked about Internet use in order to evaluate their capabilities for use of virtual services. The survey showed that 86% (43) of municipalities don't have access to Internet. Only 14% (7) of municipalities is able to use Internet.

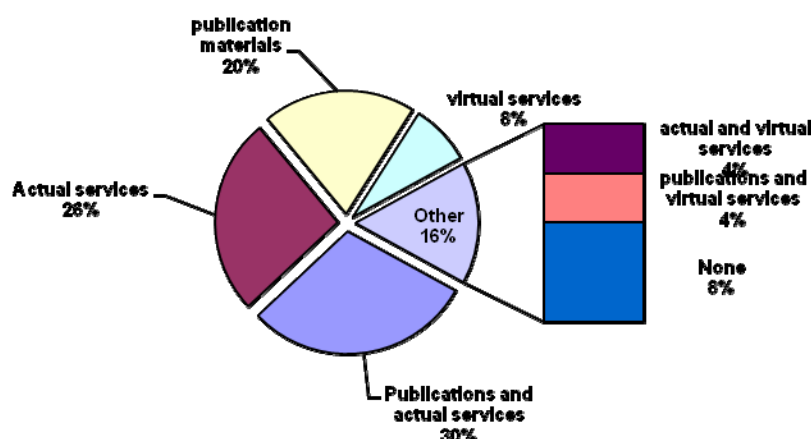


12% of municipalities (5) lacking Internet access said that they had computer equipments. The survey showed that 91 percent of rural municipalities (31), 92 percent of town municipalities (11), and 25 percent of urban municipalities don't have access to Internet.

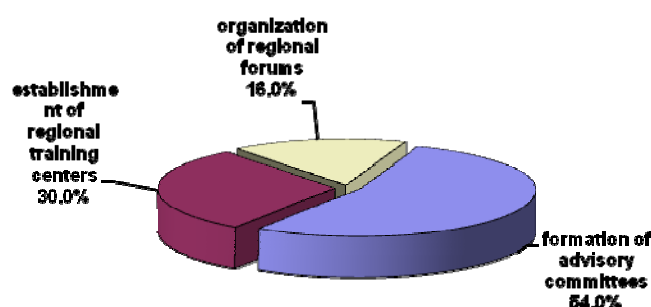
3 answers were presented for the respondents to the question of **"Which services do you expect from the associations for your municipality?"**

- **Virtual services.** It includes provision of necessary information, arranging interactive trainings for the municipalities through Internet.
- **Real services.** It includes organization of trainings and seminars for the municipal servants and members.
- **Publish services** includes provision of publications such as brochures and guides (weekly, monthly, quarterly and yearly) for municipalities on a regular basis.

According to the survey results, 30% of respondents (15) expect both publications and actual trainings; 26% of respondents (13) expect real trainings; 20% of respondents (10) expect publishing service. Only 8% of municipalities (4) expect virtual services. 8 percent of the respondents don't expect any services from the associations.



Over half (54%) of the respondents surveyed preferred to formation of advisory committees in order to build effective cooperation with the associations. 30% of respondents suppose that effective cooperation is possible through establish of regional trainings resources center, but 16% of them selected organization of regional forums for the efficiency of cooperation.



Half (50%) of the municipalities in rural and urban areas, and 66,7% of the municipalities in the towns preferred to the establish of advisory committees. 32,4% of rural municipalities, and 25% of town municipalities preferred to establish of training resource centers. 17,6% of rural municipalities, and 8,3% of city municipalities suppose that regional forums must be organized during cooperation with the associations.

Summary of the survey

According to the results of survey:

- The vast majority (86%) of the municipalities don't have Internet access;
- Municipalities don't computer equipments to connect to Internet;
- The majority of municipalities lacking Internet are rural (91%) and town (92%) municipalities;
- Municipalities prefer to actual and publishing services provided by the associations.

Over half (54%) of the municipalities consider formation of advisory committees as an effective way of cooperation with associations. Formation of advisory committees is supported mainly by the town municipalities.

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